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Reagan Appoints Armstrong, Rogers to Head Shuttle Probe

A rocket booster for a space shuttle being assembled at Cape Canaveral in a file photo that was released by NASA.

NASA Defends Booster Safety

By David Hoffman
Washington Post Service

WASHINGTON — President Ronald Reagan appointed an independent commission Monday to investigate the explosion of the space shuttle Challenger and to report back in four months on "how it happened and how it can be prevented from happening again."

The commission chairman will be former Secretary of State William P. Rogers and the vice chairman will be the former astronaut Neil A. Armstrong, the first man to walk on the moon.

Ten other members were announced, including Sally K. Ride, the first American woman in space, and Chuck Yeager, a leading test pilot in the days before the U.S. space program. Mr. Reagan may appoint up to 10 more members.

"The commission will review the circumstances surrounding the accident, determine the probable cause or causes, and develop recommendations for corrective action," Mr. Reagan said.

Larry Speakes, the chief White House spokesman, said the panel would take over the investigation started by the National Aeronautics and Space Administration, which will assist the commission.

Mr. Speakes said that Mr. Reagan decided to appoint an outside commission to reassure the American people that the investigation would be independent. He said the president would be willing to provide subpoena authority to the commission if needed.

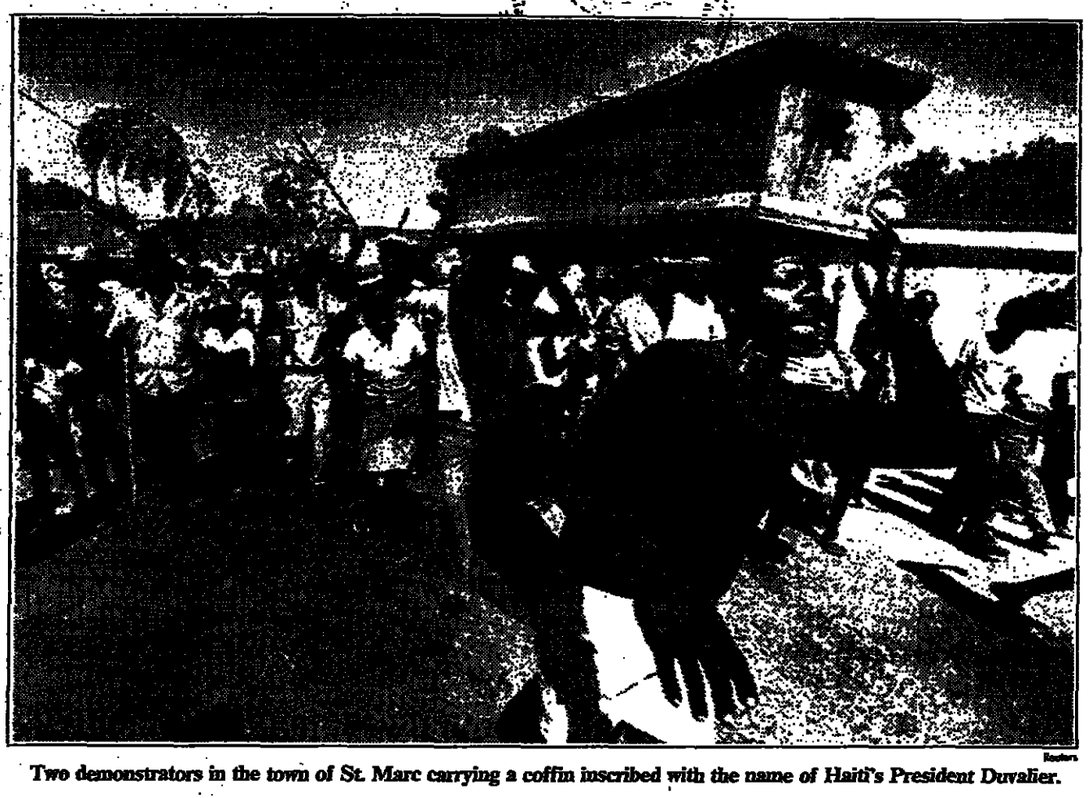
The commission will not address questions about the future of the space program, Mr. Speakes said.

All seven members of the shuttle's crew died in the accident.

Speaking at the White House after Mr. Reagan's announcement, the acting NASA administrator,

(Continued on Page 5, Col. 6)

Morton Thiokol, maker of the shuttle's rocket boosters, is reeling from the disaster. Page 9.



Reuters

Two demonstrators in the town of St. Marc carrying a coffin inscribed with the name of Haiti's President Duvalier.

Shultz Calls for Elected Government in Haiti

Compiled by Our Staff From Dispatches

WASHINGTON — Secretary of State George P. Shultz called Monday for a democratically elected government in Haiti.

Referring in an television interview to the "tremendous poverty and illiteracy" prevailing in the Caribbean nation, where about 70 people have been killed in anti-government riots since Jan. 26, Mr. Shultz said:

"We believe that the way to start out of these problems is to have people running the government who are put there by an electoral kind of process."

Asked if the United States was calling for a change of government in Haiti, now ruled by President Jean-Claude Duvalier, Mr. Shultz replied, "We are calling for the type of government that's put there by the democratic process."

In a similar statement issued Monday in Paris, France's Ministry for External Relations said it "hoped that the voice of the Haitian people can be heard." The statement said France had told the Haitian authorities that "a return to democracy and freedom remains the indispensable condition for real economic and social development."

Since 1984, France has been the second-largest supplier of aid to the French-speaking island after the United States. The State Department said last week that because of concerns over Haiti's human rights policies it was holding back the certification required for $26 million in new foreign aid to Haiti.

The Duvalier family has ruled Haiti since the president's father, François Duvalier, was elected president in 1957. Opposition political activity is not permitted in Haiti, although there are legislative elections. Almost all political authority is vested in the president, who carried the title president-for life.

President Duvalier toured the capital, Port-au-Prince, in a motorcade Monday in an effort to assure the population he remained in control.

The capital's streets were almost deserted, and most shops remained closed. *(AFP, UPI, AP)*

■ Protest Has Festive Air

William R. Long of the Los Angeles Times reported earlier from St. Marc, Haiti:

A procession of anti-government demonstrators, following a rough wooden casket held aloft by two young men, chanted and danced Sunday down St. Marc's main street to a lively calypso drumbeat.

Hand lettering on the casket in the Creole language said "Jean-Claude, your place is in here." When the casket-bearers broke into a spirited jig, the crowd whooped and cheered.

Five persons were killed in anti-government demonstrations last week in St. Marc, a port city of 25,000 about 60 miles (97 kilometers) north of Port-au-Prince. Protesters burned the houses of government officials and sacked warehouses, carrying away food, medicine and building materials.

At 1 P.M. Sunday in the city's Roman Catholic cathedral, church bells were rung by young men, drawing about 1,000 people for the latest demonstration.

Spy Swap In Berlin Expected

East Bloc Spies To Be Exchanged For Shcharansky

Reuters

BONN — A major East-West prisoner exchange involving the release of Anatoli B. Shcharansky, a prominent Soviet dissident, has been worked out by the Soviet Union, the United States and East and West Germany, informed West German sources said Monday.

The sources, who asked not to be identified, said that the four countries had worked out details of the exchange and that it was expected to take place next week.

U.S. sources also confirmed that the swap was expected and said it had been scheduled to take place in Berlin next Tuesday. They added, however, that because of the publicity about the exchange, the swap might be carried out sooner.

The West German sources said they could give no details about the size of the planned exchange but that the release of Mr. Shcharansky, 37, a Jewish activist, was part of the deal.

Mr. Shcharansky, a mathematician and computer scientist, was sentenced to 13 years in prison and labor camp in 1978 on charges of spying for the United States. President Jimmy Carter personally denied that Mr. Shcharansky had been a U.S. agent.

The U.S. sources said that the American authorities had been surprised that news of the exchange had been disclosed.

The prospect of an exchange was disclosed by the mass-circulation West German daily Bild, which cited "high Soviet sources" as saying that the swap would be the biggest since World War II and would take place in Berlin.

The Bild report said the deal would involve an exchange of 12 Western agents imprisoned in the Soviet bloc for an unspecified number of agents held in the West.

It said these would include Yevgeni Zemlyakov, a Russian imprisoned for three years in Cologne last year for industrial espionage, and a former West German Defense Ministry clerk, Lothar-Erwin Lutze, who was jailed for 12 years in 1976 for spying for East Germany.

Bild said the exchange would take place on the Glienicke bridge border crossing, site of many past spy exchanges.

The diplomats said they attached credence to Bild's report that Moscow had refused to include in the exchange Andrei D. Sakharov, the holder of the 1975 Nobel Peace Prize and a member of the team that developed the Soviet hydrogen bomb.

The Glienicke bridge crossing was the site of the last major East-West spy exchange in June 1985, when the United States handed over four convicted Communist spies for 23 East Germans and Poles serving sentences for spying for the West.

That exchange was organized partly by Wolfgang Vogel, an East German lawyer who had been involved in spy swaps for more than 20 years.

In Jerusalem, a spokesman for Mr. Shcharansky's wife, Avital Shcharansky, 35, said she was skeptical of the reports. He said she had left her Jerusalem home for a kibbutz to avoid the publicity.

But Israeli state radio said that the United States had told Israel that Mr. Shcharansky would be freed. It said that Mrs. Shcharansky had been notified and would meet him in Berlin.

U.S. Carriers May Sail In Area Qadhafi Claims

By George C. Wilson
Washington Post Service

WASHINGTON — The Reagan administration plans to resume applying pressure on the Libyan leader, Colonel Moamer Qadhafi, by sending the aircraft carriers Coral Sea and Saratoga back to the Gulf of Sidra area next week, administration officials said.

In his State of the Union address Tuesday night, President Ronald Reagan may signal that he is increasing pressure by declaring that the United States has no intention of recognizing Colonel Qadhafi's claim that the entire gulf falls within Libyan waters, they said Sunday.

Such language was put in at least one draft of the president's speech, officials said. But whether or not Mr. Reagan mentions it in his speech, the policy decision to send the carriers closer to Libya has been made, the officials said.

The carriers were pulled away from the region late last week after a week of operations north of the Libyan coast. The decision to return the two carrier battle groups signifies the conviction of administration officials that such pressure is making Colonel Qadhafi less willing to support terrorism and represents the only practical military option Mr. Reagan now has, sources said.

They added that if Colonel Qadhafi should take some rash action, such as shooting at U.S. ships or planes in the Gulf of Sidra, the two battle groups would give the Reagan administration enormous firepower to retaliate quickly.

Colonel Qadhafi has threatened to shoot down planes and sink ships that cross "the line of death" he has drawn across the top of the gulf. The United States recognizes Libyan territorial limits as extending only 12 miles (a little more than 19 kilometers) from shore. The mouth of the gulf is about 110 miles away.

In the weeklong exercises just concluded, neither the ships nor aircraft of the two carrier battle groups crossed that line. But there were broad hints from administration officials Sunday that this may not hold true for the new set of U.S. naval exercises.

"Sooner of later we're going to have to cross it," an official said. "We may do it this time, but we may not announce it. But Qadhafi will know."

The line Colonel Qadhafi has drawn is at 32 degrees 30 minutes north latitude.

(Continued on Page 5, Col. 5)

Reuters

In Calcutta, Pope Visits Mother Teresa

Pope John Paul II with Mother Teresa in Calcutta on Monday after visiting the home she operates for the destitute and dying. Earlier, in the state of Bihar, the pope, who is on a 10-day visit to India, assailed the exploitation of workers. Many workers in Bihar are held in virtual slavery. Page 5.

Manila Politics: Luring Rival's Family

Movie Stars and Political Figures Are Fair Game, Too

By William Branigin
Washington Post Service

MANILA — First the rival camps of President Ferdinand E. Marcos and Corazon C. Aquino traded local politicians. Then they exchanged nephews.

Now the focus has shifted to movie stars, and the Aquino presidential campaign seems to be getting the worst of it.

Amid the charges, countercharges and general mud-slinging of the Philippine presidential election campaign, the hardest blow appears to have been struck by last week's endorsement of Mr. Marcos by a 33-year-old actress, Nora Aunor.

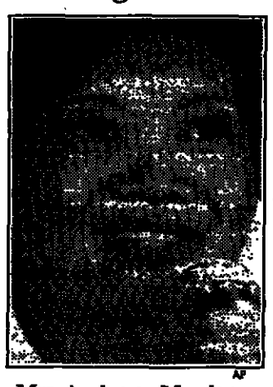
The country's most popular performer, Miss Aunor was a friend of the Aquino family and the goddaughter of the opposition candidate's sister-in-law and press aide, Lupita Kashiwahara.

Miss Aunor announced a week ago that she was joining the "Stars for Marcos" movement mobilized by the president's daughter, Imee Marcos-Manotoc, to campaign for Mr. Marcos and his running mate, Arturo Tolentino.

The endorsement hurt the Aquino campaign, not least because the opposition had made much of Mrs. Marcos-Manotoc's recent candid statement that Mrs. Aquino was "just like Nora Aunor" in her popular appeal.

Evidently stung, opposition spokesmen reported that Miss Aunor had been pressured into making the endorsement because of tax and other problems with the Marcos government.

The case illustrates the importance both sides are attaching to a battle for "defectors" and endorsements as the presidential campaign enters its final week. It is a battle that has split families and polarized political differences among otherwise close-knit groups.



AP

Mrs. Aquino on Monday as she sought in Manila to rebut U.S. doubts about her positions. Page 2.

Some of the defections and endorsements have been important not so much for the persons involved but for the family relationships they represent. Family and clan ties are often critical factors in bringing in votes for a candidate because of a tendency to follow the leader of an extended family on political questions.

Thus, both sides consider it a major coup when a relative — the closer the better — of the opponent breaks away from the family and comes out openly in support of the other side.

In this election, the families of the rival candidates have played central roles as advisers and campaign managers. The Marcos campaign essentially is being run by his wife and children — notably his daughter, Mrs. Marcos-Manotoc, and a son, Ferdinand Marcos Jr. — while Mrs. Aquino's is managed largely by an elder brother, Jose Cojuangco Jr..

So far, there appears to be no clear overall winner in the battle, which began with the defections of several mayors and provincial governors from Mr. Marcos's ruling

(Continued on Page 2, Col. 5)

For Entrepreneurs, High Stakes and High Risks

Getting Down to Business

Europe's New Approaches to Competition

In the face of American and Japanese competition, Western Europe faces a major test not just of its technological potential, but also of its capacity to make far-reaching economic and sociological changes. This is the seventh in a series of articles, appearing from time to time, focusing on these issues.

By Joseph Fitchett
International Herald Tribune

COPENHAGEN — Christian Rovsing began to lose his company on the day of his greatest success. Now, trying to conceal the wounded pride of an entrepreneur who spent 20 years building one of Denmark's leading manufacturers of advanced electronics, he declines to discuss how it was taken over by rivals during a management crisis.

Sir Clive Sinclair is less traumatized by business setbacks. Britain's major microelectronics entrepreneur has failed commercially with ventures in pocket calculators, miniature television, digital watches and electric cars.

Mrs. Kirsten Sirvell, the general manager of KabiGen, a Swedish newcomer in the biotechnology industry, which produces drugs by genetic engineering, is worried as her company prepares to market a growth hormone designed to cure dwarfism. She fears that KabiGen may be overwhelmed commercially by Genentech, the California rival that supports its dwarfism hormone with 100 times more staff and budget than the Swedish company.

As all three can testify, entrepreneurship involves risks, and risks produce losses as well as gains.

None of the three has given up: Mr. Rovsing continues to invent electronic systems, Sir Clive is back in his laboratory and Mrs. Sirvell's company continues to splice genes in hopes of being alone with its next discovery.

Despite their failures and fears, they remain leaders in a small but growing number of European entrepreneurs busily seeking to become world competitors.

Many are already successful. In West Germany, Nixdorf Computers, according to Heinz Nixdorf, its founder and manager, is growing faster than any major U.S. computer manufacturer. In Britain, Robb Wilmot has resigned as chairman of ICL, the largest national computer-maker, to set up European Silicon Structures, an electronics company that Mr. Wilmot has designed as the model for a new type of Europe-based multinational. In Denmark, Novo is a pacesetter in biotechnology in terms of products and of the performance of its shares on the stock market.

Entrepreneurship — the ability to innovate commercially — is a cornerstone in any emerging program of how Europe can compete economically and technically with the United States and Japan. Afflicted by rising unemployment and a widening gap in high technologies, European economies need new companies to develop and market new products and services, according to numerous recent interviews with businessmen and political leaders.

"Entrepreneurship is the model for creating wealth, not just redistributing it," says Carlo de Benedetti, the Italian industrialist and chairman of Olivetti.

Like most entrepreneurs, Mr. de Benedetti is a fierce exponent of private enterprise — which is reviving in Europe after decades of widespread hostility. In Japan and the United States, governments generally have an indirect role in the growth of entrepreneurship, but in most European countries, governments themselves are actively promoting the movement.

Government measures to smooth the way for entrepreneurs include tax cuts for successful companies and legal changes to make it easier to set up companies and to liquidate them quickly if they fail.

Help is also coming from the private sector. Some European corporations — notably West Germany's electronics giant, Siemens, and the British glassmaker, Pilkington

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INSIDE

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■ **Representative** John E. Grotberg of Illinois was in a coma from complications following cancer treatment. Page 3.

■ **An inspection** of Boeing 747 airliners was ordered by U.S. officials after cracks were found in some fuselages. Page 5.

■ **Newspaper ads** by the South African leader are seeking to win support from the black majority. Page 6.

BUSINESS/FINANCE

■ **Oil prices plunged** again amid signs that major producers were not ready to cut output. Page 9.

■ **Tin trading resumed** in Malaysia after a three-month suspension. Page 9.

TOMORROW

A housewife from the mainstream of Philippine society becomes an opposition activist.

U.S. Firms Get the Drug-Testing Habit

By Ruth Marcus
and Margaret Engel
Washington Post Service

WASHINGTON — As mass screening to detect a variety of drugs has become economical, thousands of American employees and job applicants are being required to submit urine or saliva samples to be checked for evidence of marijuana, cocaine and other drug use.

Also, thousands of military recruits, and soon the entire active-duty force of 2.1 million, are having their blood tested for exposure to acquired immune deficiency syndrome, or AIDS.

At the same time, technological advances have made it possible to test people for susceptibility to an array of other diseases.

Employers praise drug testing as necessary and prudent in a time of widespread drug abuse, which they say cuts into productivity, increases absenteeism and health costs, and poses the threat of lawsuits by injured co-workers and customers.

"If somebody smokes pot on a Saturday night, it's the employer's business on Monday," said Peter B. Bensinger, former director of the U.S. Drug Enforcement Administration and now a consultant to business on drug testing. "It is the company's problem if its absentee rate is two and a half times higher, its accident rate is three times higher and the medical costs are out of sight" because of drug abuse.

Critics warn the tests are frequently unreliable, presenting the risk that an employee who has not used drugs could be dismissed unfairly.

Many people find the tests embarrassing, intrusive and unfair, and say employees should be measured by performance.

"There are a lot of things that may affect absenteeism and health and productivity that have nothing to do with drugs," said Arthur B. Spitzer, legal director of the American Civil Liberties Union's office in Washington. "I think we would all feel very resentful if our employer inquired if we were staying up at night watching the late movie or having an extramarital affair."

Some critics say the tests are better suited for employees whose jobs involve public safety.

"What may be appropriate for the airline pilot may not be appropriate for the ticket clerk," said a San Francisco attorney, Kathleen Lucas-Wallace, who is representing a woman fired for refusing to take a urine test. "If the ticket clerk is writing tickets in a satisfactory manner, why should they be tested? If not, why don't they get fired for poor performance?"

More important, critics warn, the tests are frequently unreliable, presenting the risk that an employee who has not used drugs could be dismissed unfairly.

But Mark A. de Bernardo, manager of labor law for the U.S. Chamber of Commerce, dismisses

(Continued on Page 6, Col. 5)

In Brunei, Oil Wealth Keeps Everyone Happy, Almost

By Barbara Crossette
New York Times Service

BANDAR SERI BEGAWAN, Brunei — His name is Kebawah Duli Yang Maha Mulia Paduka Seri Baginda Sultan Hassanal Bolkiah Muizzaddin Waddaulah — or Hassanal Bolkiah, the sultan of Brunei, for short. At age 39, he is absolute ruler of one of the world's newest, smallest and wealthiest nations.

"His majesty," a European resident said matter-of-factly, "is rich beyond the dreams of avarice."

Brunei Darussalam, as it is known officially, became independent in January 1984 after almost a century as a British protectorate.

It is a nation of 221,000 people living on 2,226 square miles (5,790 square kilometers) of tropical hills and forests on the north coast of Borneo. It would be little more than the remnant of a once-proud empire in the South China Sea, were it not for the oil.

Petroleum, first found here in 1929, and gas, struck in 1965, have made Brunei and the Bruneians rich by anyone's standards; in Asia, they are fabulously wealthy.

For the average citizen, that means an income of about $18,000 a year, a car or two and all the other consumer goods of the affluent.

For the sultan, it means the biggest palace in the world: a $400-million home of 1,788 rooms spread over 50 acres (20 hectares) of this quiet capital city. The low-slung palace, with peaked roofs inspired by Borneo longhouses, has its own mosque, a heliport and parking spaces for 800 vehicles, several dozen reserved for the sultan's sports cars.

Although gossiping about the royal family is a major pastime in Brunei, no one really knows much about what goes on behind the palace walls, foreign residents say.

"This is a secretive place dedicated to the art of keeping the outsider uninformed," a European said.

What is evident is that the sultan is a busy man. Since independence was restored to Brunei Darussalam — the name means "Brunei, abode of peace" — he has been prime minister, finance minister and interior minister.

According to The Brunei Darussalam State Chamber of Commerce Review, those titles put the sultan in charge of these agencies:

The Royal Brunei Police, the Public Service Commission, the Religious Affairs Department, the Petroleum Unit, the Anti-Corruption Bureau, the Brunei Investment Agency, the Economic Development Board, the Economic Planning Unit, customs, state stores, computers and statistics, immigration, labor, prisons, weights and measures and the fire brigade.

Sultan Hassanal Bolkiah

Two of his brothers run the Foreign Ministry and the Ministry of Culture, Youth and Sports.

Their father, the former Sultan Omar Ali Saifuddin, is defense minister.

All of which creates something of a problem for Haji Abdul Latif Chuchu.

Mr. Latif, secretary-general of the country's only legal political organization, the National Democratic Party of Brunei, wants to see more popular input in the day-to-day administration of government. He says he got the idea from the sultan's Independence Day speech.

"The proclamation of independence called for a democratic, Malay, Islamic monarchy," Mr. Latif said in an interview.

"I learned from his majesty's speech that we are missing out on one of those four elements — the democracy," he said.

Early last year Mr. Latif, a merchant who is a teacher and journalist by training, and 25 other businessmen got together to form the party, the first to appear since independence. There have been no elections in Brunei since 1968; the Parliament building has no Parliament.

"The sultan wouldn't have allowed our party if he didn't want democracy," Mr. Latif said. The sultan, however, did prohibit government employees, about 40 percent of the country's work force, from joining in party activities.

The National Democratic Party, which would like to see more parties formed and elections held, has not had an easy time finding issues to galvanize a population enjoying free medical care and education, good public services and a high standard of living little affected by plummeting world oil prices.

The country has invested enough from the boom years of the 1970s to weather at least two decades of straitened circumstances, financial experts say.

Bruneians do not seem to want change for its own sake. Many have refused, for example, to trade their traditional homes on stilts over the Brunei River for modern houses and apartments in this attractive hilly city. They use their money to improve their old homes.

But Mr. Latif sees a need for better distribution of wealth. He said that up to 20 percent of the labor force is facing hardship in a high-cost country that imports 90 percent of its consumer goods.

Most important, he said, is the need for public accountability among civil servants "who now work to please only the sultan."

"It is always easier to please one person than to please a nation," Mr. Latif said. "We have to fight for people's rights and educate the population.

The New York Times

Many Bruneians have used their wealth to improve their old homes instead of buying new homes. These men are building an addition to a traditional stilt house on the Brunei River.

"There has been no political movement here for 15 years. We are an independent country, very rich and peaceful. Yet we still have emergency rule, and many people are scared to get involved in politics."

Brunei's official state of emergency has been in force since a brief but violent uprising in 1962 that greeted the former sultan's proposal to join the new federation of Malaysia. Diplomats and business leaders say there is a persistent "jumpiness" in some quarters of the royal family.

One of the areas of contention is religion, Bruneians say. Brunei has not escaped the attention of Islamic fundamentalists, who would like a stricter observance of Moslem law in this devout but not radical Sunni Moslem society.

In December, when the Moslem clergy succeeded in reordering the annual, usually joyful, parade celebrating the prophet Mohammed's birthday to make it more austere, the sultan boycotted the event and chastised the organizers in a television address.

About the same time the female newsreaders on the government-run national network suddenly shed their chadors, the headcovers worn by conservative Moslem women.

"With the sultan more firmly in control, we can expect more moderation," a resident said. "There will be no turbulent priests here."

A Fiery Aquino Details Her Policies to Rebut U.S. Doubts

By Francis X. Clines
New York Times Service

MANILA — Amid a blistering attack on President Ferdinand E. Marcos as a "Filipino Pharoah," Corazon C. Aquino, the opposition candidate, delivered a detailed policy speech Monday to rebut U.S. doubts that she might lack political substance or be "naive" in handling Communist insurgents.

"I was misunderstood in the United States and was in fact labeled too naive," she declared in stressing that she would, if elected president, exhaust "all bloodless schemes" to negotiate with the Communist guerrillas but would then use military force if necessary.

In offering voters a more detailed agenda for economic and social reform, Mrs. Aquino also stressed that while she would not renounce the agreement on U.S. military bases, careful consultations would be required to extend it beyond 1991.

"I must state with candor that no sovereign nation should consent that a portion of its territory be a perpetual possession of a foreign power," she said in a speech at the Manila Chamber of Commerce.

In appealing for votes in Friday's election, Mr. Marcos has also spoken of firmer negotiations over the future of the bases. The issue is being closely tracked by the Reagan administration in preparing for possible policy changes resulting from the election.

Mr. Marcos accused Mrs. Aquino on Monday of being "inflammatory" in her appeals and intent on "running the government on nothing but personal vengeance."

He was referring to the fact that she holds Mr. Marcos responsible, for the assassination of her husband, Benigno, in 1983 as he returned home from exile to lead the opposition.

Mrs. Aquino delivered her sharpest denunciations yet of Mr. Marcos. She called him a "hallucinating" despot who built his career on feats of war heroism that were fantasized "for a measly measure of military backpay and a spurious salad of mythical medals."

The president has had to defend his war record lately in the face of disclosures that U.S. military officials had rejected as fraudulent many of his claims of guerrilla resistance during World War II.

Mrs. Aquino, a political neophyte, read her toughly worded speech with a persistent, even tone, using vivid phrasing to describe how the shooting of her husband, popularly known as Ninoy, began an uproar that led to her candidacy.

"One treacherous bullet through the head of Ninoy," she said, "and the nation rose as one in indignation and protest."

With foreign news reporters packed into the audience, Mrs. Aquino clearly intended to demonstrate that she had the policies and determination to be a substantive president, something that has been questioned privately by some Reagan officials.

Describing herself as "the unorthodox choice of an oppressed people," she sought to demonstrate her executive resolve by envisioning her "first 100 days" in office. She promised reform of various taxation and economic laws, a constitutional convention, the abolition of power by decree, the restoration of habeus corpus for political prisoners and an end to pro-government bias in television and newspapers.

She promised to dismantle various business monopolies that have spurred charges of cronyism against Mr. Marcos, as well as to repeal anti-strike labor laws

With only Tuesday and Wednesday left for open campaigning, foreign observers, invited by the president in hopes of bolstering the credibility of the election, have been arriving to watch for possible fraud that critics of Mr. Marcos charge will be widespread.

U.S. scrutiny became an even clearer burden for the Filipinos with the disclosure Monday that ABC News, on which Mr. Marcos initially announced the election, plans to televise a debate or cross-dialogue of sorts Thursday between the two candidates seated in separate locations.

It was unlikely, however, that the actual voters would ever see the event since Filipino television, controlled by the Marcos government, had no plans to carry it.

Endorsements in Manila Vote: Recruit From Rival's Family

(Continued from Page 1)

party, the New Society Movement. In response, Mr. Marcos's party claims to have recruited a number of opposition campaign personnel.

The main longstanding family split highlighted by the campaign is that dividing the Cojuangcos, the family of Mrs. Aquino, the opposition candidate. Her first cousin, Eduardo M. Cojuangco Jr., controls much of the country's coconut industry and ranks as the leading multimillionaire friend of Mr. Marcos. He also serves as the political boss of his and the Aquinos' native Tarlac province.

Tarlac province has been the scene of recent political violence in which a godson of Mrs. Aquino was murdered while campaigning for her.

Shortly after the killing, a nephew of Mr. Marcos's wife, Imelda, resigned from the Philippine foreign service and pledged support for Mrs. Aquino. Norberto Romualdez 3d, 46, quit his post as commercial counselor of the Philippine Embassy in Brussels on Jan. 17, accusing Mr. Marcos of having ruined the economy and destroyed business confidence in the Philippines.

The Marcos camp retaliated a few days later with the announcement that Benigno G. Aquino 3d, 40, a nephew of the opposition presidential candidate, had "defected" to Mr. Marcos's party. A government press release quoted him as saying he feared that his aunt would be manipulated by her advisers if elected and that this "could be disastrous."

Another prominent "defector" has been Leticia Ramos Shahani, a cousin of Mr. Marcos and sister of Lieutenant General Fidel Ramos, the armed forces vice chief of staff. She endorsed Mrs. Aquino early in the campaign and was pressured to resign her posts as an ambassador and a United Nations assistant secretary-general on the ground that the Philippine foreign service forbids involvement in partisan politics.

The Marcos camp's turn came with the endorsement of the president by Enrique Zobel, a wealthy businessman who had been considered sympathetic to the opposition. The endorsement last month shocked Manila's business community, which has lined up solidly behind Mrs. Aquino, and angered some of her supporters.

On the other side of the political fence is a cousin, Jaime Zobel, and his wife, Bea. The Spanish-born Bea Zobel, who previously had been apolitical, publicly announced her support for Mrs. Aquino last week.

"Those of us who have never been involved in politics before can no longer remain wishy-washy," she wrote in a newspaper article.

The struggle among families has not stopped with the living but has even extended to persons long dead. Government-controlled news media lately have been recalling the World War II collaboration with the Japanese of Jose Laurel, the wartime president and father of Salvador Laurel, the opposition vice presidential candidate, and Benigno S. Aquino Sr., a member of Jose Laurel's cabinet and father-in-law of Corazon Aquino.

A full-page newspaper advertisement for Mr. Marcos headlined "What Did Your Daddy Do When the Invaders Came?" charges that both the opposition candidates "are descended either by affinity or consanguinity, from the two leading figures of Filipino collaboration with the Japanese occupiers."

The ad says that Mr. Marcos received five war wounds while his political counterparts were living comfortably. However, no mention is made of historical records that Mr. Marcos's own father, Mariano Marcos, was shot as a collaborator by anti-Japanese guerrillas, or of reports that Mr. Marcos falsified his war record as a guerrilla fighter.

Truman Reported To Tap FDR Aide

New York Times Service

WASHINGTON — President Harry S. Truman ordered wiretaps on the home and office telephones of Thomas G. Corcoran, who had been a top assistant to President Franklin D. Roosevelt, government records show.

The report, based on documents from the Federal Bureau of Investigation and the Truman Library, was published in the Feb. 8 issue of The Nation magazine.

The records do not contain any direct evidence as to why Truman ordered the surveillance.

WORLD BRIEFS

Europe, With 34 Dead, Faces New Storm

MILAN (Reuters) — Countries across Europe struggled Monday to provide emergency services after winter storms caused at least 34 deaths and widespread destruction. Forecasters in France, Italy and Britain said that more bad weather was on the way.

In the Ardèche region of southern France, where one meter (three feet) of snow fell Sunday night, officials said the situation was critical after five days of blizzards. Helicopters had ferried supplies to 10,000 people in isolated villages, but the state electricity company EDF said that 80,000 homes were without power. More heavy snow was expected.

Rising temperatures over flooded lowlands in Italy created fog that led to a pile-up on a highway near Florence in which five persons died and 30 were injured, police said. Many roads in the Italian Alps were closed because of the danger of avalanches, and the mayors of Adriatic coastal towns demanded emergency aid to strengthen defenses against the sea.

France, Soviet Each Expel 4 Envoys

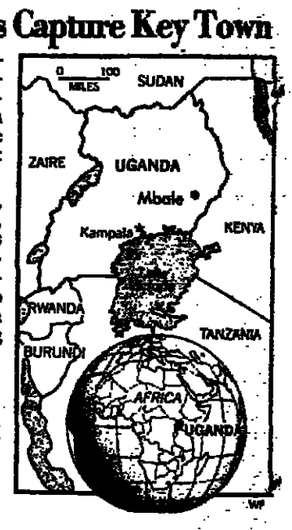
PARIS (Reuters) — France said Monday it had expelled four Soviet diplomats after a former air force mechanic's arrest on spy charges. In retaliation, the Soviet Union told four French Embassy officials to leave the country.

The Ministry for External Relations in Paris said the four French officials would have to leave Moscow by the end of this week. "The French government deplores this measure, which is totally unjustified," the ministry said.

French sources said the expulsions were linked to the arrest of a former warrant officer, Bernard Sourrisseau, 40, by France's counterintelligence service. He was charged with providing Soviet intelligence with details of the movements of French nuclear submarines based in Brittany.

Museveni's Troops Capture Key Town

KAMPALA, Uganda (UPI) — Troops from the National Resistance Army have captured the eastern Ugandan town of Mbale in their biggest military victory since taking power in Kampala a week ago, witnesses said Monday.



The National Resistance Army, led by the country's new president, Yoweri Museveni, now controls more than two-thirds of the country. Troops loyal to the former military ruler, Lieutenant General Tito Okello, still hold several towns in northern Uganda, where fighting was reported to be continuing.

Residents of Mbale, 130 miles (210 kilometers) east of the capital, said the town fell Sunday to the National Resistance Army. They said General Okello's troops had terrorized the town for three days before they were routed.

Khmer Rouge Reports Army Mutiny

BANGKOK (AFP) — Mutinous soldiers in Cambodia's army, which is supported by Hanoi, fought with Vietnamese troops near the Cambodian capital in a battle that left 30 Vietnamese dead and 20 others wounded, a Cambodian resistance group said Monday.

Khmer Rouge radio, monitored here, said the clash broke out Jan. 25 and involved army rebels and Vietnamese troops in the town of Takeo, about 40 miles (60 kilometers) south of Phnom Penh. Thirty Vietnamese were killed and 20 others wounded in the fighting, the radio said.

The radio also said Monday that Khmer Rouge guerrillas, who are supported by Beijing, had attacked several villages in Mouk Kampul and Kang Meas districts, north of Phnom Penh. No independent confirmation of the report was immediately available.

Lesotho Expels 19 North Koreans

MASERU, Lesotho (Reuters) — Lesotho expelled 19 North Korean technicians to Mozambique over the weekend, a spokesman for the North Korean Embassy said Monday. He said no reason was given.

Diplomatic sources said the North Koreans apparently were expelled at the instigation of South Africa, which imposed an economic blockade of Lesotho last month that preceded the toppling of Chief Leabua Jonathan, the prime minister. The new government has expelled South African refugees thought to be members of the African National Congress, which is banned in South Africa.

The new military ruler, Major General Justin Lekhanya, is said to believe the North Koreans were arming members of Chief Jonathan's Basutoland National Party, according to the diplomatic sources. They said it was unclear whether there would be further action against North Koreans, or against Soviet or Chinese nationals in Lesotho. The North Koreans had been working on agricultural and constructions projects.

Kissinger Will Not Challenge Cuomo

WASHINGTON (AP) — Henry A. Kissinger, the former secretary of state, announced Monday that he would not run for governor of New York against the incumbent, Mario M. Cuomo.

Mr. Kissinger, a Republican, said last week that he was thinking about challenging Mr. Cuomo, a Democrat. But he said Monday there was too little time to organize a campaign for the election in November. He said he had been urged to run by Vice President George Bush.

Meanwhile, the former governor of Texas, William P. Clements Jr., began his bid to defeat the man who unseated him, Mark A. White. And Pennsylvania's lieutenant governor, William Scranton 3d, declared his candidacy for the gubernatorial nomination at a rally attended by his father, William Scranton, a former Pennsylvania governor and former U.S. ambassador to the United Nations.

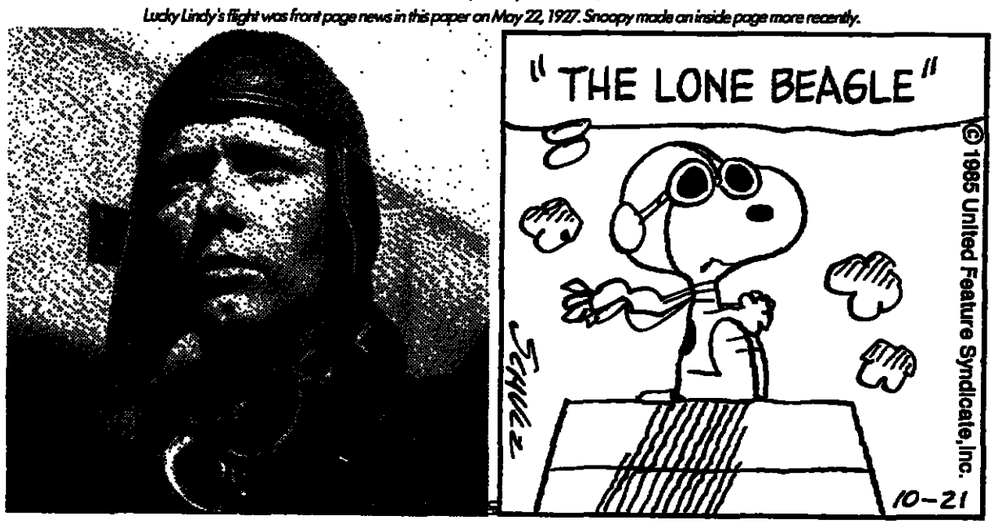
For the Record

Johannes Rau, leader of West Germany's Social Democratic Party, left Monday for the United States. Mr. Rau is seeking international recognition in his bid to become chancellor in elections next year. *(AP)*

Thousands of West German public workers disrupted commuter rail traffic, garbage collections and street cleaning Monday as they staged warning strikes in 30 cities to support demands for a 6-percent increase in wages. *(AP)*

An explosion at a Paris shopping arcade on the Champs Elysées injured eight persons Monday night, the police said. They said the explosion, at the Claridge arcade, appeared to have been caused by a bomb. *(Reuters)*

Lucky Lindy's flight was front page news in this paper on May 22, 1927. Snoopy made an inside page more recently.



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Netherlands	Fl.	550	298	166
Ireland	£.M.	115	62	34
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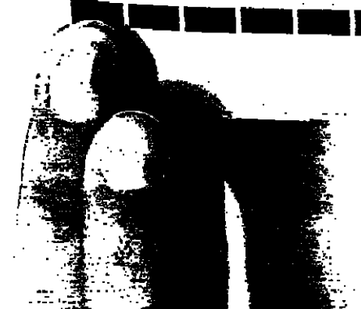


صكاً من الاهل

صكنا من الاصل

Ruling Party's Candidate Is Winner of Costa Rican Presidential Election

United Press International

SAN JOSE, Costa Rica — Oscar Arias Sanchez, the candidate of the ruling National Liberation Party, has won Costa Rica's presidential election.

His main competitor, Rafael Angel Calderón Fournier, of the centrist Social Christian Unity Party, conceded defeat Monday and promised to lead "a serious opposition" to Mr. Arias's government.

With 94 percent of the precincts reporting, Mr. Arias had received 52.4 percent of the vote Sunday to 45.7 percent for Mr. Calderón, the electoral tribune announced. Candidates from four minor parties got the rest of the votes.

Mr. Arias, 44, called for national unity to confront serious economic problems in Costa Rica, an important U.S. ally in Central America that has been the region's most affluent country and only established democracy.

In a victory speech to supporters, Mr. Arias, a lawyer, said: "On our horizon lies many great challenges that need new solutions, imagination. What we Costa Ricans want most is to live in peace."

He said his government would be "eternally grateful" for continued financial support from the Reagan administration. But he warned that his administration would maintain a neutral stance on the conflict in neighboring Nicaragua between U.S.-backed guerrillas and the leftist Sandinist government.

"We will not tolerate abuse of our hospitality" by anti-Sandinist guerrillas, he said. "But we will also not permit any action that endangers our sovereignty."

Costa Rica has a tradition of strict neutrality in regional affairs. Polls have shown that a large majority of Costa Ricans are critical of the Sandinist regime in Managua.

They also have shown that Costa Ricans are opposed to doing anything directly to topple the Sandinists. That attitude led both major presidential candidates to tone down talk of confrontation with Managua.

Costa Rica, with a population of 2.5 million people, receives about $200 million a year in U.S. aid, second only to Israel on a per capita basis.

The National Liberation Party has dominated Costa Rican politics since its inception during the 1949 revolution that removed Rafael Calderón Guardia, the father of Mr. Arias's opponent in this election.

An estimated 80 percent of Costa Rica's 1.5 million registered voters cast ballots in this election.

Voting proceeded smoothly Sunday, as it has in past elections. Electoral fraud, political killings and army meddling are not an inevitable and accepted part of a presidential campaign here, as they have been in Guatemala, El Salvador, Honduras and Panama.

Also chosen in the balloting were two vice presidents and 57 seats in the one-house legislative assembly.

The incumbent president, Luis Alberto Monge Alvarez, is prohibited by the constitution from running for a second term. Mr. Arias will be inaugurated May 8.

Reuters

Oscar Arias Sanchez, the winning candidate of the National Liberation Party in Costa Rica's presidential election, and his wife, Margarita, voted in San Joaquin, near San José.

Guerrillas Cut Lima's Power

Reuters

LIMA — Peruvian guerrillas knocked out Lima's electricity supply for 75 minutes Monday and dynamited at least six banks, two political party offices and a jail.

Reagan Budget Would Raise Military Spending 40% by '91

By Spencer Rich
Washington Post Service

WASHINGTON — President Ronald Reagan's fiscal 1987 budget is expected to propose Defense Department spending increases of nearly 40 percent over five years, plus a large increase for the space program. But spending by most civilian agencies would be cut substantially or frozen in place, according to budget documents.

The documents were dated Jan. 29, the day the budget went to the printers. Sources said the documents accurately reflected the printed budget.

Mr. Reagan is to present his budget proposals Wednesday.

The documents do not say which programs in individual departments would be cut, although they indicate that the Small Business Administration would be eliminated.

There have been reports that Mr. Reagan will seek major reductions in some payments through Medicare, the program of health insurance for the elderly and disabled; in medical research; in Amtrak, the federally subsidized rail system; and in various housing, loan and community aid programs.

Many of the proposed eliminations or cuts have been rejected previously by Congress, and leading members of Congress have said they are unlikely to approve the military increases Mr. Reagan is expected to request.

The documents indicate that for fiscal 1987, which begins Oct. 1, Mr. Reagan is proposing outlays of $994 billion against government receipts of $850.4 billion, for a deficit of $143.6 billion.

That is slightly less than the $144-billion deficit limit for fiscal 1987 set by the Gramm-Rudman-Hollings budget-balancing law.

According to the documents, which project government spending and income for the next five years, the deficit will drop each year until a $1.3-billion surplus is achieved in 1991.

Although outlays for many nonmilitary agencies would be cut over the five-year period, much of the deficit reduction would result from higher tax receipts.

Mr. Reagan has said he opposes any increase in personal income taxes. But the documents predict that business taxes will rise from $70.9 billion in fiscal 1986 to $125.6 billion in fiscal 1991 and that individual income taxes will rise from $354 billion to $516 billion over the same period.

These increases appear to reflect administration projections for the growth of the economy that some economists say are too optimistic.

According to the documents, the Department of Health and Human Services would receive a sizable increase. But most of it, sources said, reflects growing Medicare outlays despite cuts in some payment provisions. Social Security also would be protected, but other programs administered by the department would be frozen or cut.

According to the documents, Defense Department outlays would rise from $258.4 billion in fiscal 1986 to $274.3 billion in fiscal 1987 and reach $356.6 billion in 1991. Those figures roughly correspond to a 3-percent yearly growth rate after inflation.

The National Aeronautics and Space Administration's budget would rise from $7.3 billion in 1986 to $9.5 billion by 1991, the documents say.

But federal spending on education, transportation, environmental protection and agriculture would be less in 1991 than in 1986; after inflation, this would mean sizable cuts in programs.

Most other civilian departments, while receiving slightly more money, would not keep up with projected inflation rates.

The Agriculture Department would take the biggest cut, with outlays reduced from $54.2 billion in 1986 to $35.8 billion in 1991. Sources said major reductions would be proposed in farm credit, rural housing and price support programs.

Edwin L. Dale, spokesman for the Office of Management and Budget, had no comment on the documents.

■ **Threat to Pentagon Research**

Bill Keller of The New York Times reported from Washington:

Budget cuts mandated by Congress and the determination of Mr. Reagan to protect his space defense program threaten to disrupt other military research projects, Pentagon officials say.

They say that some military research agencies absorbed cuts twice as severe as other military programs so the budget for the space defense program could be spared.

At the Defense Nuclear Agency, Marvin C. Atkins, deputy director for science and technology, said there would be "severe reductions" in such programs as underground nuclear testing and research aimed at protecting aircraft from the electromagnetic effects of nuclear weapons.

At the Defense Advanced Research Projects Agency, home to the military's most futuristic research, an official said the strategic computer program would be "dramatically slowed."

That program studies artificial intelligence and high-speed data processing, in hopes of developing fully automated weapons such as computer-driven tanks and robot co-pilots.

Other agencies that took unusually large cuts included the Defense Communications Agency, which plays a major role in assuring that commanders can keep control of U.S. forces in wartime, and the Defense Mapping Agency, whose projects include development of detailed, computerized maps that can be fed into the electronic memories of cruise missiles to help them find their targets.

American Indians Winning an Old Battle — in Court

By Iver Peterson
New York Times Service

DENVER — Although the weapons have changed, American Indians are fighting today much the same battles over sovereignty and the ownership of land and natural resources that they waged in the 19th century. The difference is that this time — from tribal courthouses to the United States Supreme Court — they are winning.

"The Indians who started going through law school in the 1960s realized for the first time that we had a lot of legal rights that had not been enforced and that could really make a difference," said John Echohawk, director of the Native American Rights Foundation in Boulder, Colorado.

The rights these lawyers uncovered were contained in agreements that the United States signed with the retreating tribes in the last century. The Indians dusted off the statutes, which had been all but ignored over the years, and found the language they needed to resume the effort to secure sovereignty within reservations and, in some cases, over natural resources beyond the reservation borders.

Since 1959, the Native American Rights Foundation says, the Supreme Court has handed down about 75 opinions on Indian law, all but a few in the tribes' favor. Some Indian lawyers argue that the main issues have been settled, but others say that as long as the special status of Indians is upheld, there will be forces seeking to take away their rights.

"The assertion by the tribes of sovereign powers in modern times has made almost every element of the majority society uncomfortable," according to Charles Wilkerson, an authority on Indian law and a visiting professor at the University of Michigan.

"Many, perhaps most, segments of the larger society remain to support Indians as a general matter," Mr. Wilkerson wrote last year. "But they reach their limits when their own most closely held agendas are affected specifically."

Federal officials oppose tribal takeovers of government programs, he said, states challenge Indian tax prerogatives and judges question the tribes' judicial authority. "Hunters, fishers and water users oppose tribal hunting, fishing and water rights," Mr. Wilkerson said. "Environmentalists oppose tribal economic development. Churches and fraternal organizations oppose tribal bingo games."

Indian lawyers dusted off the statutes, all but ignored over the years, and found the language they needed to help regain sovereignty.

Although modern law regarding Indians is based largely on precedents set in the last century, recent rulings have set the groundwork for new battles. In 1979 the Supreme Court ruled that Indians in the Northwest had the right to ignore state game laws in fishing outside their reservations. The decision upheld the legal status of Indians apart from state laws, confirming that this special status cannot be altered by time.

From this ruling came a host of others that have increased Indian rights: They do not need state permission to tax companies doing business on their reservations; they may conduct gambling operations without supervision or taxes so long as the games are otherwise permitted by the state; their tribal claims are not subject to state statues of limitation. Even federal laws must occasionally bend for Indians. In certain circumstances, for example, they may kill eagles, a protected species, to collect ceremonial feathers.

Federal power over Indian tribes is far-reaching, however, and several cases will test just how strong it is. The Internal Revenue Service, for example, says tribal income from fishing in the Great Lakes and off the Pacific coast is taxable. The tribes argue that such a tax infringes on their rights to natural resources outside their reservations.

But since Congress granted these and other rights, it can theoretically take them away. In 1968 it passed the Indian Civil Rights Act, which was designed to protect individual Indians from tribal discrimination. Significantly, the act does not contain any provisions ordering tribes to honor democratic rights, and it is the only federal law that permits a form of government to be hereditary or even ecclesiastical.

Such contradictions — beliefs that run counter to American values of democracy and assimilation — can produce unusual attitudes, said Richard Collins, a University of Colorado law professor. Liberal judges, who dislike distinctions based on ethnicity, "look askance at special Indian rights," he said, "and conservatives, who believe in the most local of governments, find Indian rights most attractive."

Congress, he continued, has vacillated between respecting the Indians' special status and regarding them like any other American citizens. "The Indians have a large option to maintain separate societies if they want to," Mr. Collins said, "but that can collapse if things go against them."

Congressman From Illinois Is in Coma

The Associated Press

WASHINGTON — A congressman from Illinois has been in a coma since Thursday because of complications arising after he underwent one of medicine's newest experimental forms of cancer treatment, it was announced Monday.

Medical authorities said it could not be predicted whether Representative John E. Grotberg, 60, of St. Charles, would recover.

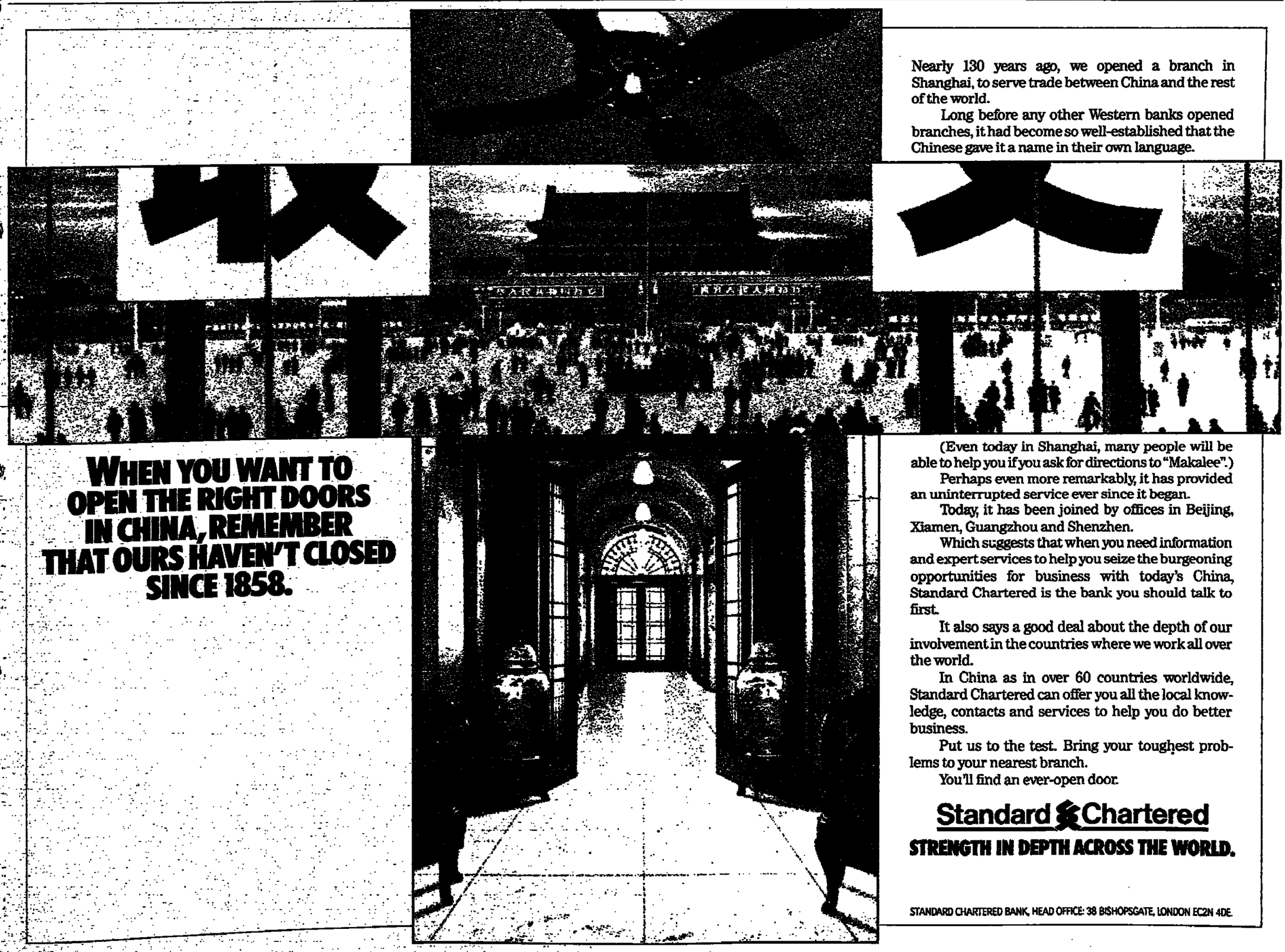
Dr. Steven A. Rosenberg of the National Cancer Institute, who has supervised Mr. Grotberg's treatment, said the congressman remained in critical condition at the National Institutes of Health in Bethesda, Maryland.

Dr. Rosenberg said an artery in the Republican congressman's left arm became infected last month after his last round of cancer treatment. Doctors had been using the artery to inject combinations of white blood cells from Mr. Grotberg's body and a protein known as interleukin-2.

The experimental process is designed to send the patient's blood cells, whose disease-fighting capability is augmented by the interleukin-2, back into the body to attack cancer tumors.

Dr. Rosenberg said Mr. Grotberg's infected artery was first treated with antibiotics and then removed through surgery Jan. 21.

The lawmaker's heart stopped Thursday and he ceased breathing, Dr. Rosenberg said. He was revived but has remained unconscious since then, Dr. Rosenberg said.



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Duvalier's Rule Must End

Not only Haitian exiles had reason for joy when the White House erroneously announced the flight of Haiti's dictator. Let us hope that an unspoken wish inspired its spokesman's confusion. After 29 years of brutal repression, Haitians have taken to the streets to vent their protest against the Duvalier dynasty's misrule.

Only last year, following a stage-managed referendum, President Jean-Claude Duvalier claimed 99.98 percent support for his inherited title of president-for-life. Now, large segments of that population have defied terror to proclaim him merely president-for-now.

Haiti's neighbors, and the United States above all, can only hope that "now" will not last much longer. Almost any leader would be an improvement and do more to move this backward nation out of the misery in which the Duvaliers have held it. There are not many places about which one could state that.

Haiti, speaking Creole and French, has always been an anomaly in the Western hemisphere. It won independence from France in 1804, following a bloody slave revolt, but unlike most of the longer-colonized West Indies, it fell prey to a succession of tyrannies.

The Duvaliers have only sharpened the contrast and left Haiti the one absolute, hereditary monarchy in the Americas. "Papa Doc" François Duvalier and his son, "Baby Doc" Jean-Claude, have turned the country into a personal domain, enriching themselves while leaving almost everyone else impoverished.

Haiti is the hemisphere's poorest country; three-fourths of its 6 million people earn less than $150 *a year*. Per-capita income is half that of Honduras, the hemisphere's next poorest nation. Almost nine of ten Haitians are illiterate; half are unemployed, a further 25 percent are underemployed. Haitians are the least likely people in the Americas to survive birth and the most likely to encounter disease and hunger and to die young.

Under the Duvaliers, they have also been terrorized into submission, driven by the thousands to flee in tiny boats across 800 perilous miles (1,296 kilometers) to the United States. But only recently did the Reagan administration acknowledge that it could not find enough heightened respect for human rights in Haiti to qualify it for the release of direct aid.

It is not the United States' responsibility to unseat the Duvalier regime. But no desire for "stability" can justify any effort to prolong its rule. Americans should cheer the Haitian people's courageous protest. A government that subjects its people to a steady diet of ignorance, want and suppression has no legitimacy, and no place in the democratic community.

— THE NEW YORK TIMES.

France: Is Chrysanthemum-Show President to Return?

By Stanley Meisler

PARIS — Until Charles de Gaulle came to power in 1959 and imposed the constitution of the Fifth Republic to suit himself, the French used to ridicule the powers of their president. His duties, according to some, centered mainly on opening chrysanthemum shows.

Georges Clemenceau, the powerful premier in the early 20th century, said, "There are two things in the world for which I have never seen any use: the prostate gland and the president of the republic."

It is hard to imagine President François Mitterrand, the fourth president under the de Gaulle constitution, ever dropping to that level of impotence. The president of France is regarded now as one of the most powerful executives of any democratic system, more powerful, from a constitutional point of view, than the U.S. president. He has the sole authority to order the firing of France's nuclear weapons. On a less awesome matter, he chose the businessmen who will run France's first private television channel. Mr. Mitterrand's hand is everywhere.

Yet in the view of some political figures, among them former President Valéry Giscard d'Estaing, France will go back to a chrysanthemum-show president if, as expected, Mr. Mitterrand's Socialist Party and the rest of the left fail to keep control of the National Assembly in the March 16 parliamentary elections. According to this view, the prime minister will then run France.

Mr. Mitterrand treats such analyses with disdain. "They are trying to bring me back to my law school days," he said recently. "Every day I get a course in constitutional law." But he is clearly concerned enough now to shed any pose of being a president far above the electoral battle. Although not a candidate, he has involved himself in this campaign, pleading for Socialist votes.

For France, the elections presage great confusion. Are the voters simply choosing their representatives in parliament? Or are they changing their system of government? Do they want Mr. Mitterrand, whom they elected in 1981, to keep all his powers until his term ends in 1988? Or do they want to cut him down? It is not clear now, and may be no clearer after the returns are in.

The confusion arises because the constitution of the Fifth Republic divides powers between an elected president and a parliamentary prime minister. Since 1958, the president's party has controlled parliament, and the prime minister has been subservient to the president.

If the Socialists lose control of parliament in March, a president may be forced, for the first time under the Fifth Republic, to select a prime minister from a hostile party.

The present constitution provides specific powers for the president. He can appoint the prime minister and cabinet, call national referendums, dissolve parliament, command the armed forces, negotiate treaties, delay legislation, and so on. The question is whether all these powers become hollow whenever the president is faced by a hostile prime minister.

French voters hear contradictory answers. Mr. Giscard d'Estaing, the former president who leads one of the two main conservative opposition parties, said recently that, once a prime minister is named, "he will be anchored and immovable. The president has no practical way to oppose the implementation of a new policy wanted by the government and parliamentary majority."

Supporters of Jacques Chirac, a former prime minister whose conservative Gaullist party is expected to win the most seats, say much the same thing. But Mr. Chirac claims that a conservative prime minister could "cohabit" with a Socialist president. If the president put obstacles in the way of the new government, he says, the president would risk bringing on a crisis.

By EWK in Aftonbladet (Stockholm). CSW Syndicate.

Another former prime minister, Raymond Barre, ranked by polls as the most popular conservative politician, disagrees. Mr. Barre does not see all power going to the prime minister. "It would be dangerous for the future of our institutions," he has said, "if the president ceased to be the keystone of the system."

At the same time, Mr. Barre insists that it would be impossible for a Socialist president and a conservative prime minister to work together. Mr. Mitterrand should resign if his party is defeated, he says.

Prime Minister Laurent Fabius conceded recently that if the Socialists lost control of parliament, "it would be a mess."

Mr. Mitterrand compounds the issue, "The election results in March could change my role," he has said. "But no matter what the results, my function, my duties, and my rights will remain the same."

Los Angeles Times.

Time Is Running Out for Syria to Tidy Up Lebanon

By G.H. Jansen

NICOSIA — Syria, now facing failure or even defeat in its self-appointed task of bringing order and reform to Lebanon, must regret that it ever assumed that responsibility.

After getting the three leaders of the main communal militias to agree to a plan of reform, which should have been signed Nov. 28, Syria could only get it signed Dec. 28. The delay was caused by objections by the Maronites to the plan's reductions in their political privileges. The Maronite militia leader, Elie Hobeika, finally signed the document, but the accord could not be implemented without approval by President Amin Gemayel. Mr. Gemayel told Syria on Jan. 13 that he could give his assent only if the plan was amended to protect the Maronites.

On Jan. 15, Mr. Hobeika was defeated by pro-Gemayel Maronites. This left Maronite civilian and military groupings united in Lebanon in their opposition to the accord. That solidarity is an important factors in the current impasse.

Syria's first reaction was to get its local Lebanese surrogates to attack Marounistan, the Maronite enclave lying east and north of Beirut. Meanwhile, it encouraged the two other signatories of the agreement, the Shiite Amal leader, Nabih Berri, and the Druze chief, Walid Jumblat, to declare a political boycott of Mr. Gemayel. The Sunni Moslems and the radical elements in the Shia community had, like the Maronites, not approved of the Syrian plan, but in the prevailing confrontational situation the Shiite Speaker of Parliament and the Sunni prime minister have joined the political boycott. This fissure in the body politic of Lebanon has paralyzed the political process.

Mr. Gemayel wants the cabinet and Parliament to meet and consider the reform plan — a sensible suggestion — but they cannot and will not meet to do so. The more radical of the president's political opponents, led by Mr. Berri and Mr. Jumblat, plus Mr. Hobeika, who has returned to Lebanon via Syria, have given Mr. Gemayel an ultimatum — either he resigns his position by Feb. 15 or else.

Syria wants to keep Lebanon united because it is easier for Damascus to dominate a single entity.

Or else what? There is the military option, the invasion of Marounistan by the other militias, perhaps backed by Syrian artillery and logistic support. But the military risks for Syria are considerable.

The political option is equally dubious. Mr. Gemayel will not resign on demand and has the solid backing of his community. Mr. Berri has talked of getting rid of him "by constitutional means" — through a majority vote in Parliament reducing his term of office. But there is no parliamentary majority. Since other communal groups besides the Maronites oppose the Syrian plan, negotiations would be the best way out of the impasse.

A number of Maronite organizations have issued placating statements, to the effect that Maronites accept the principle of political reform but want talks on the issue. They have said that the Maronite community accepts the fact that Lebanon is an Arab country that must have close and special relations with Syria, but not be a Syrian satellite.

A compromise could be built on this position, but the problem is to find the mediator who can bring the Maronites and the Syrians together quickly before the ultimatum runs out; former President Suleiman Franjieh seems a likely candidate.

It is difficult to resist the conclusion that the trouble with Lebanon is, and always has been, the Maronites. Certainly the record of the seven Maronite presidents is woeful. The first was forced to resign in 1952 by a nationwide general strike. During the last six months of the term of the second president, Camille Chamoun, the first Lebanese civil war was being waged to prevent him from having an unconstitutionally second term; he brought in the U.S. Marines. The third president, General Fuad Chehab, tried to resign in 1960, disgusted by his inability to reform the system, but was prevailed upon to stay on. In 1976, the fifth president, Mr. Franjieh, was bombarded out of his palace and he called in the Syrian army, which imposed its choice, Elias Sarkis, as the sixth president. The seventh, Bashir Gemayel, was imposed by the Israeli army, but was assassinated and succeeded by his brother Amin, who allowed in U.S. Marines.

Syria, too, has made several serious mistakes. Because the Syrians have had an authoritarian regime for 25 years, they assumed they could order Lebanon to accept democratic reforms under the undemocratic threat of the gun. Yet the Syrians bring a unifying factor to Lebanon's messy crisis. They want to keep Lebanon united, because it would be easier for them to dominate one single entity. Damascus is acting as if Syrians are not in a hurry to see a solution, but is time really on their side? The Feb. 15 deadline is fast approaching.

The writer, who has studied the Middle East for many years, contributed this view to the Los Angeles Times.

Qadhafi: Handle Him With Care

By Bob Woodward

WASHINGTON — The Reagan administration is pursuing its campaign of confrontation against Colonel Moamer Qadhafi despite U.S. intelligence estimates warning that such tactics could make the Libya problem worse.

The intelligence and diplomatic reports describe Colonel Qadhafi as a bizarre character who during one recent trip wore makeup, carried a teddy bear and refused to sleep on hotel sheets. CIA psychological reports conclude that Colonel Qadhafi has a "borderline personality disorder."

The reports confirm President Reagan's judgment that the Libyan leader is "flaky" but they don't support the view that he is at war with America and is public enemy No. 1.

A close reading of these intelligence reports suggests that the Reagan administration's policy of confrontation, rather then containment, could bring on the nightmare that frightens everyone: Libyan hit squads on American and European streets. By treating the colonel as a virtual war-time enemy, America could transform him into just that.

A major CIA analysis, classified "secret," warned less than a year ago how U.S. actions could affect Colonel Qadhafi. This report said:

"We believe Qadhafi would directly target U.S. personnel or installations if he believed the United States was engaging in a direct threat to his person or was actively attempting to overthrow his regime." If left to himself, the estimate said, Colonel Qadhafi would probably focus until the fall of 1986 on regional subversion in Chad, Sudan and Tunisia and would exploit other diplomatic and political opportunities worldwide.

The estimate also said that the colonel might attack U.S. targets directly if he thought this could be done without retaliation. Administration policy may encourage that dangerous confidence if last month's saber rattling is merely a bluff.

"Essentially Colonel Qadhafi is not controllable," said the estimate, which reflected the collective opinion of the U.S. intelligence agencies that diplomatic pressure and economic sanctions would have little or no impact on the Libyan leader's behavior.

Despite these cautionary points from the intelligence community, the administration has chosen an aggressive strategy. President Reagan approved a covert CIA plan last year to undermine the Qadhafi regime. After the Dec. 27 attacks at the Rome and Vienna airports that killed five U.S. bystanders, the administration increased economic sanctions against Libya, beefed up the CIA covert-action plan, sent a high-level emissary to Egypt for contingency planning against the colonel, and moved two carrier battle groups toward Libya for flight operations and exercises.

The U.S. administration's rhetoric is a useful reminder of what the erratic Colonel Qadhafi is capable of doing to Western interests. But so far, the Libyan leader's bite has been far less than his bark.

The history of his actions, as recounted in intelligence summaries, repeatedly makes two key points:

- Colonel Qadhafi's terrorist attacks in the last 10 years have been aimed narrowly and almost exclusively at his Libyan opponents in exile abroad or at moderate Arab and African states.
- He has rarely launched terrorist or other attacks directly at U.S. interests. The last such attack was in December 1979 when the U.S. embassy in the Libyan capital of Tripoli was sacked and burned.

There's no doubt that Colonel Qadhafi is a menace. He is a revolutionary who uses terrorism to undermine pro-Western regimes in Egypt, Sudan, Tunisia and other nearby countries. But many Arab regimes directly threatened by the Libyan leader have urged America to lower its rhetoric and stop its military posturing. They recognize that the Libyan regime lives off crisis and that a campaign of confrontation is likely to feed the fire that America wants put out.

Colonel Qadhafi will remain a menace. He won't go away if he's ignored. But by turning down the flame, the plans and the rhetoric, the United States can put him on the back burner where he belongs.

This comment has been excerpted from The Washington Post.

U.S. Still Has a Decisive Role to Play in Philippines

By David J. Steinberg

NEW YORK — Does the United States have any business sending observers to a Philippine election? The answer is yes.

American objectives in the Philippines have not changed since the turn of the century, when the United States took possession of the islands: America wanted to establish and preserve a stable, pro-U.S. society. It also sought to enhance its geopolitical position and military power through access to strategically valuable bases, while encouraging Filipinos to develop and preserve their democracy.

Over the generations, Americans entered into a covenant with the Filipinos, a blood compact honored by thousands of Filipinos with their lives at Bataan and Corregidor. A special relationship was forged, and it has endured. Condescending as it appears today, William Howard Taft's phrase "little brown brothers" has been internalized by many Filipinos, who feel a kind of fictive kinship that was and is at harmony with their own familial traditions.

Rudyard Kipling implored Americans to take up "the white man's burden" in the Philippines, noting in his famed poem of that name that the Filipino people would judge the Americans "by all ye cry or whisper, by all ye leave or do." Whether it was what the historian Richard Hofstadter called "the voice of God" intoning Manifest Destiny that urged us on, or only "the carnal larynx of Theodore Roosevelt," America imperially imposed its might on a devoutly Roman Catholic society.

President William McKinley "put the Philippines," in his own words, "on the map of the United States." Through benevolent colonialism, the Philippines was to become a showcase for democracy. Thus, Manifest Destiny was given the face of altruism. The price paid by the American overlords was to surrender the levers of power almost immediately to an aspiring Filipino elite.

Americans today are like the biblical Jonah, who fled by sea rather than intervene to save distant Nineveh.

People have long been debating the perplexing questions about when, if ever, it is appropriate to intervene in the affairs of others. Events in the Philippines raise this question anew.

The words Ferdinand E. Marcos used in his first inaugural address in 1965 still apply today: "The Filipino, it seems, has lost his soul, his dignity and his courage. Our people have come to a point of despair. We have ceased to value order." As Mr. Marcos said then: "Government is gripping the iron hand of banality, its treasury is barren, its resources are wasted, its civil service is slothful and indifferent, its armed forces demoralized and its councils sterile."

Whatever actions the United States does or does not take now, it cannot help but influence events in the Philippines. Both history and the nature of the two countries' present relationship make this inevitable. The United States is the second-largest employer in the Philippines. The U.S. military installations at Subic Bay and Clark Field are but the most visible of a vast array of American activities in the archipelago. More than one million Filipinos live in diaspora in the United States, and more than 40 years after General Douglas MacArthur proclaimed his return to the Philippines, the United States still has not left.

America should accept these facts and not be embarrassed to use its economic muscle, political influence and moral authority.

America is portrayed in the Philippines as both the devil and the savior. Filipinos blame the United States for everything that happens but are also avid in their attraction to all things American. This ambivalence, a classic mix of younger-sibling hero worship and envy, is summarized in an interview given by General Carlos Romulo just before he recently died: "Your country must do something before my country falls apart." *("U.S.-Philippines Friendship Must Endure," IHT, Jan. 25).*

As a result of the Vietnam War and other national traumas, Americans today are like the biblical character Jonah, who chose to flee the holy land by sea rather than to intervene successfully in order to save the distant city of Nineveh. In the speech John F. Kennedy never got to deliver in Dallas in 1963, he was going to say: "We in this country, in this generation, are — by destiny rather than choice — the watchmen on the walls of world freedom." That pre-Vietnam optimism now seems very distant. It also keeps us from remembering that the two greatest American foreign policy successes in this century occurred in Japan and Germany, where America intervened directly after World War II to create economic miracles and political democracies.

America is still a proselytizing democracy. It still believes that it is a city on a hill, a new Jerusalem, "the last best hope of mankind." Even more significant, many Filipinos also believe this. As one presidential candidate, Corazon C. Aquino, said a few days ago, "I would like to believe that America is interfering for good and that she will continue to tell the Marcos administration how very concerned she is for us to have clean and honest elections so that we can have a peaceful transition of power."

At the beginning of this century, the satirist Peter Finley Dunne's character Mr. Dooley shrewdly observed that the Philippines is "a poverty-sthricken counthry, full iv goold an' precious stones, where th' people can pick dinner off th' threes an' ar're starvin' because they have no step-ladders." Surely America still has an obligation to loan its kin a ladder.

The writer, president of Long Island University, will observe the Philippine elections under the auspices of the National Democratic Institute, a bipartisan organization. He contributed this comment to The New York Times.

Botha: Too Little Too Late for Blacks

By Anthony Lewis

BOSTON — On Feb. 20, representatives of 30 Western banks will meet in London to discuss proposals for repayment of $13 billion owed them by South Africa. Last summer, with the country in turmoil, the banks refused to roll over the loans. Pretoria in turn suspended repayment. Now it wants the debt rescheduled. U.S. banks have said they first want to see a prospect of change in South Africa.

Bankers are not preachers. The reason they are looking for change in the South African system is that they believe the only hope of stability lies that way. Without genuine change, they fear, a powerful economy will sink in social disorder.

Those are the terms in which bankers and other pragmatists may look at the latest signal from the South African government: President P.W. Botha's speech opening Parliament last week. Did his words represent a real change in attitude? Do they offer hope of stability?

"We accept one citizenship for all South Africans," Mr. Botha said. He proposed a new advisory body including blacks, "a national statutory council." He promised changes in the hated pass laws. He said "We have outgrown the outdated concept of apartheid." He spoke of South Africa's commitment to "equal rights before an independent judiciary."

When measured against history, those words do mark a significant change. It is a change in the premises, the psychology, of the ruling white minority, the Afrikaners, and of the National Party that largely speaks for them.

The National Party and its government are no longer comfortable with the philosophy of white supremacy that was their proclaimed aim on taking power in 1948. They know that keeping the black majority apart in separate and inferior schools, jobs, towns, and accommodations does not work. They do not feel able to defend the cruel racism of the society they have created. That's why Mr. Botha talks of freedom, equality and participation.

But the change in official attitudes produces results that are far too little and too late to impress the audience that matters: the blacks. "If apartheid is outdated," the Reverend Allan Boesak asked, "why are our people detained and killed for fighting against it?"

If Mr. Botha wanted to reach out to the black citizens of South Africa in ways that count, the ways were obvious. He would have ended the emergency, and he would have freed Nelson Mandela. Such steps would have opened the way to the process that is the only hope of a new stability in South Africa, a real political negotiation.

"Mr. Botha has come just about as far along the reform path as he voluntarily can." That is the conclusion of a report in the latest issue of The Economist of London. It is remarkable, and important, because the weekly has in the past taken a more optimistic view of Mr. Botha's "reforms."

"Moral persuasion will not be enough to make Afrikaners just hand over power," Xan Smiley writes. "That can come only by coercion." He then analyzes the case for economic pressure from outside. Contrary to conventional argument, he says, evidence "suggests that sanctions can hurt very hard indeed." Black consumer boycotts, he notes, have led white business leaders to take account of black grievances and negotiate successfully with blacks. "That is the best cool-calculating argument for sanctions," Mr. Smiley says.

The New York Times.

Other Opinion

Are Botha's Promises Serious?

President [P.W.] Botha is persisting in his efforts to convince the blacks of his willingness for reform. Last Friday evening on television he made for the first time an appeal to the black community to join negotiations on the future of the country. It is to be feared that this appeal will be greeted with indifference by the majority of blacks. Mr. Botha now risks getting too far ahead of his own troops: the conservative white minority which says it is disheartened by this capitulation of its leader. Mr. Botha, under the pressure of events and the Americans, has started trying to lighten his ship's burden. But isn't it too late?

— Le Monde (Paris).

The economic sanctions issue is complex. Many good people and plausible arguments are ranged against the sanctions lobby. It is unfair, in America especially, that the sanctions debate has descended into a crude test of commitment against racism.

One of the worst, and most popular, arguments against economic sanctions is that they hurt blacks hardest. That is true as far as it goes. But the leaders of the blacks say they are prepared to make the sacrifice. A better argument is that sanctions would seriously damage South Africa's black neighbors just when their economies need help to increase foreign trade. Sanctions are reasonable as moral gestures in foreign policy, so long as they do not have the reverse effect to that intended.

Liberal businessmen in South Africa say sanctions will not have the right effect. Their argument has a hollow ring. They argue that the reforms that have been made, though not radical enough, have at least split Afrikanerdom and altered the nature of the political debate. True, that is why five years ago there was a case for "constructive engagement" for encouraging Mr. Botha to challenge the doctrine of his own tribe.

But the game has changed again. Mr. Botha has come just about as far along the reform path as he voluntarily can. Subtle persuasion looks very much as though it has run its course.

— Xan Smiley in The Economist (London).

Taken at face value, last Friday's speech to the South African Parliament by President Botha appears to represent a further substantial step by the government toward the dismantling of apartheid. That said, an examination of the fine print raises many of the old doubts about South African double-talk and coded language. These can only be stilled when more details of the proposed measures and a clear timetable for their implementation become available.

What Mr. Botha's speech shows is that the president is desperately looking for black representatives with whom the government can conduct a dialogue to end the violence which has cost more than 1,000 lives over the last 18 months. Seen in this context, the offer to release Nelson Mandela, the jailed leader of the African National Congress in return for the release of two leading Soviet dissidents and a South African officer held in Angola, may not seem quite as eccentric as it did at first. It could be the first real indication that Mr. Botha is convinced that only the release of Mr. Mandela could unblock the logjam in South Africa, and that he is looking for a way to do it without losing face. There are, however, too many unanswered questions in his speech.

— Financial Times (London).

Who Stole Productivity?

The American standard of living is set chiefly by labor productivity: the output of each hour that people put into their jobs. Last year the improvement in productivity was minuscule. The United States used to be able to take for granted rapid and continuous increases, but no longer. Why?

Nobody really knows, but the crucial change was in 1973. The boom that had run since World War II came to an end as suddenly as if someone had thrown a switch, in America and throughout the industrial world from Japan to Western Europe. It's possible to identify some of the events that doubtless contributed to this slowdown, such as the oil crisis of 1973-74. But all of the suspects put together do not begin to add up to an adequate explanation for this sudden and simultaneous loss of momentum among all of the world's most advanced economies. It remains a mystery and, in terms of its importance to the way people live, probably the most important mystery in current economics.

The Reagan administration earlier thought that it had the answer. It argued that poor performance in productivity was the result of inadequate capital investment caused by high tax rates. But if lower tax rates were the answer, the productivity growth rate should now be rising instead of falling. Meanwhile the budget deficit is swallowing massive amounts of savings that would otherwise be invested in the private sector. But, again, it's dangerous to attribute the behavior of productivity wholly to American domestic policies and politics, for the same meager progress is visible in other industrial economies that have been following different prescriptions.

In the United States last year, productivity gains varied enormously from one kind of business to another. In agriculture, the highest of American high-tech industries, productivity rose a phenomenal 11.5 percent in 1985. In the rest of American private business, the average gain in productivity was zero. It rose 2.6 percent in the manufacturing sector, but in the service industries it actually fell. For the whole private economy, productivity last year rose by one-third of one percent.

A country's productivity is the chief determinant of its income. If the trend in productivity is flat, the trend in incomes will also be flat. That's a disquieting prospect for America, which relies on a general rise in prosperity to alleviate the want and distress at the bottom of the income ladder. It's crucial to keep working toward a solution of that central mystery.

— THE WASHINGTON POST.

FROM OUR FEB. 4 PAGES, 75 AND 50 YEARS AGO

1911: Awaiting Snowfall in the Alps

LES AVANTS, Switzerland — Every day finds Les Avants bathed in sunshine and held fast in the grip of the frost. Skaters and non-sportsmen are both delighted; the former skim, twist or waltz about in absolute content, while the latter bask in the sun's rays and enjoy the luxury of pitying their friends at home. But lugers and ski-ers are searching the heavens for signs of snow as eagerly as farmers, during a drought, look for signs of rain. A bank of gray clouds would be as welcome to them as a legacy, and the sight of a snowstorm would be the signal for a chorus of thanksgiving. For the snow has a shiny crust, which is far from favorable for ski-ing, and the icy appearance of the lugeing track is such as to discourage all but the most expert bobbers and lugers.

1936: Radio Said to Affect Weather

PARIS — The upsetting of electrical equilibrium in the air — or, in more scientific language, the variations in the ionization of the atmosphere — accounts for the mild and non-wintry weather which northern Europe has been experiencing, according to the French physicist, Professor d'Arsonval, in an interview to the "Matin." No one knows how these variations originate, but the professor suggested they may be due to the Hertzian waves, which since the generalization of broadcasting habitually fill the atmosphere, causing changes in its ionized layers. Professor d'Arsonval also expressed the opinion that the influenza epidemics which are more frequent in mild winters are not due to the weather, but to the unstable electrical equilibrium of the air.

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LETTER

Bogus Birthday Blues

In response to "How to Honor Dr. King" (Jan. 17):

Cheers for your editorial which, in passing, deplores the synthetic observance of George Washington's and Martin Luther King's birthdays on Mondays to generate long weekends. Not realizing this practice of movable feasts in 1971, I placed a call from Vienna to a New York office that was, the Austrian operator said, "closed because it is a holiday there." As I wondered which one, the operator returned and said most condescendingly: "It's the birthday of the father of your country."

ALAN LEVY.
Vienna.

صكا من الاصل

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Communist Parties in Western Europe Face Uphill Struggle to Regain Lost Stature

By James M. Markham
New York Times Service

PARIS — Across Western Europe, Communist parties that were born seven decades ago in the early enthusiasm of the Russian Revolution are in varying conditions of stagnation and decline, according to West European politicians and political commentators.

While Communist parties have faced challenges in the past, notably during the Nazi occupation of Europe, these sources say the problems facing a number of parties may reduce them to little more than sects.

"There have been ups and downs of Communism," said Jean Ellenstein, a former French Communist Party intellectual, commenting on the state of an organization that has dramatically lost support in recent years. "But this is not that; it is an irreversible regression. There can be remission, but this is a fatal cancer."

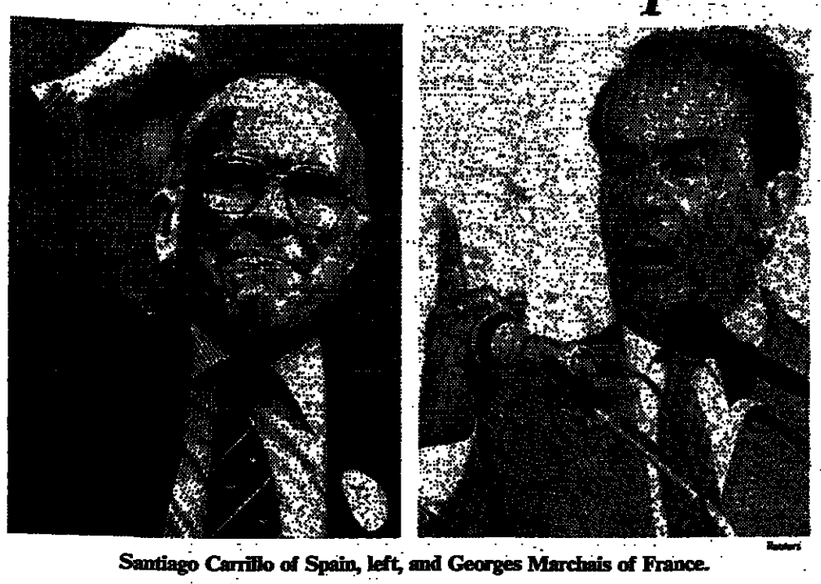
The problems facing West European Communists are most apparent in Spain and France, where parties that once seemed solidly entrenched have suffered electoral reverses.

In the late 1970s, the two parties briefly joined forces with the powerful Italian Communist Party to present a new doctrine called Eurocommunism, which pledged respect for parliamentary democracy at home and independence from Moscow abroad.

But, the politicians and others note, only the Italian party held to this course, and it is today the most significant exception to the pattern of decline. The Italians are increasingly toying with a new term, Euroleft, to replace Eurocommunist.

The Euroleft concept implies abolishing the longtime feud between Communists and Socialists.

"The Communist parties can only go forward in the context of a European left," said Giorgio Napolitano, the party's parliamentary leader, in Rome. "For many years, I have been convinced that the old differences between the Communist and the Socialist movements are not sustainable."



Santiago Carrillo of Spain, left, and Georges Marchais of France.

Other Communist parties have shrunk and now have about as much influence as American Communists have in the United States. Last October, for example, the Belgian Communist Party, which in 1946 was the third largest in the country, lost its sole parliamentary representative in national elections.

In common with other Western European parties, the Belgian party had a center of support that was blue-collar — the steel and coal-mining centers of Wallonia, which today are vanishing industrial disaster zones. As in neighboring France, much of the remaining proletariat is composed of immigrants from Third World countries who do not have the vote.

The erosion of such blue-collar zones and the emergence of service and high-technology industries whose employees are unreceptive to the Marxist message of class struggle have cut deeply into Communist voter support. Moderate Socialist parties, which have done well in Spain, France, Italy, and Greece, have been the beneficiaries.

"The basic and universal reason for the decline is the realization that the Soviet Union is not a democratic system," said Henri Fiszbin, a former Communist who will run on a Socialist ticket in French parliamentary elections in March.

Those who have studied Communism over the years note that in the Western European countries where parties have managed to hold their own — in Greece, Cyprus and Portugal — new industries have not yet changed social structures with roots in the 19th century.

In Portugal, where one of the most resolutely pro-Soviet parties is anchored among dock workers and the southern peasantry, the charismatic leadership of Alvaro Cunhal was unable three months ago to capitalize on a calamitous electoral showing by the Socialists. The Portuguese Communists dropped three percentage points, to 15.4 percent of the electorate.

The Portuguese party agreed Sunday to support Mário Soares, the former Socialist prime minister and bitter rival of the Communists, in the presidential runoff election Feb. 16.

The situation for what once seemed to be two of Western Europe's most promising Communist parties — the Spanish and French — seems far more dramatic.

After Franco's death in 1975, the Spanish Communist leader, Santiago Carrillo, used to tell his younger comrades that what the Italian party had accomplished in three decades the Spanish Communist Party would have to do in three years.

"Carrillo was in too great a hurry to get to power," said Carlos Alonso Zaldivar, a onetime Basque Communist who was later purged along with others by the Carrillo leadership.

The Spanish party, which for four decades had spearheaded the underground struggle against Franco and which commanded Spain's biggest trade union, quickly splintered after its legalization. In elections in 1982, it was reduced to 3.8 percent of the popular vote.

After a series of purges and counterpurges, the Spanish Communists are now split into three small factions: a mainstream group that holds to the official party emblem and has its headquarters in Madrid; a pro-Soviet party led by Ignacio Gallego, a 69-year-old civil war veteran; and a third group, led by the 70-year-old Mr. Carrillo.

Opinion polls suggest that together they will be lucky to win two seats in Parliament in elections expected this year.

The demise of the Spanish party was a fatal blow to the Eurocommunist idea since Mr. Carrillo had taken the most outspoken anti-Soviet positions in asserting his independence from Moscow. His failure was sharply etched by the survival of Mr. Cunhal's pro-Soviet Portuguese party next door.

"Today, no one is defending Eurocommmunism," Mr. Gallego said. "No one is raising this flag. Eurocommunism was the cause of everything that happened, a complete failure."

In both Spain and France, the Communist decline has been hastened by the growth of strong Socialist parties. But whereas in Spain the Socialists' growth was dramatic and swift, in France, François Mitterrand built his Socialist Party by maintaining a loose alliance with the bigger French Communist Party.

By the time the Socialists swept to power in 1981, they had so reversed the balance of forces in their favor that Mr. Mitterrand did not need the parliamentary support of the Communists, to which he nonetheless gave four cabinet posts.

In the summer of 1984, the Communists pulled out of the government, realizing that the "union of the left" had done them more harm than good.

Georges Marchais, who officially took over the French party in 1972, when it had a firm hold on more than a fifth of the French electorate, has presided over a striking slide. In the elections for the European Parliament in 1984, the party pulled only 11.2 percent of the vote.

Opinion polls suggest it will have difficulty matching that score in French parliamentary elections March 16.

Mr. Marchais and his comrades flirted briefly with Eurocommunism in the late 1970s but then turned again to fidelity to Moscow.

Pierre Juquin, a maverick Communist who was removed from the party's politburo last year, has voiced the view that the party's decline is "reversible, but we do not have much time." He added, "It needs a serious renovation."

The French party's problems have been accentuated by problems within the Communist-dominated General Confederation of Labor, the biggest union in France.

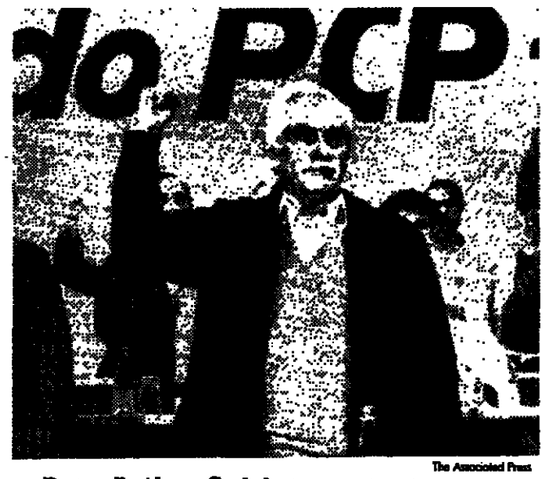
With an eye on the March elections, Mr. Marchais has reportedly urged the union's leader, Henri Krasucki, to get tough with Mr. Mitterrand's government. But impulsively called strikes have flopped. The persistence of high unemployment and the overall economic problems have made French workers wary of losing their jobs.

The most important exception to the problems of Western European Communism is the Italian Communist Party. But the party, which through its founders, Antonio Gramsci and Palmiro Togliatti, established a rich ideological tradition that stressed autonomy from Moscow, is evolving into something rather like a Social Democratic party.

Luciano Pellicani, editor of the Socialist Party's theoretical journal, Mondoperaio, said: "It is no longer a Communist party and it is not a Social Democratic party. It is neither fish nor fowl."

Mr. Pellicani did offer this prediction: "At the end of this century or the beginning of the next we will have a union of the left" a closing of ranks, he said, between Socialists and Communists.

The slow turn in the Italian party toward focusing on an eventual alliance with the Socialists, led by Bettino Craxi, seems to mark an abandonment of the strategy called the "historical compromise." This tactic was based on a coalition of Italian Communists, inspired by Marx, and Christian Democrats, inspired by the Gospels.



The Associated Press

Portugal's Alvaro Cunhal, at a recent party congress.

"I think that to avoid the danger of decline it is necessary to think in terms of the left and less in terms of Communist politics," said Mr. Napolitano, the Italian party's parliamentary leader. "We cannot be obsessed with 'the defense of our own identity.' We cannot just be a party of preachers and oppositionists."

The Italian party has translated this internal strategy to Western Europe, where it maintains lively contacts with the West German Social Democrats, the British Labor Party, and Social Democratic groups in the Netherlands and Scandinavia.

Such contacts have given some substance to the idea of "the Euro-left" to replace the notion of Eurocommunism.

"As Italian Communists, we see our future in the context of a European left," said Giuseppe Boffa, a foreign policy analyst and commentator for the party daily, L'Unità. "If the Communist parties are in crisis, it is because they have failed to see the necessity of overcoming old divisions that have no meaning."

The Italian party retained its position as the nation's second largest party by pulling 29.9 percent of the popular vote in elections two years ago. Though still relatively robust, the Italians face problems common to other Western European parties.

The death in 1984 of Enrico Berlinguer deprived the Italians of a compelling national leader. His successor, Alessandro Natta, is considered by many to be a bland, unexciting transitional figure. Like the French party, the Italian party has an aging membership, and it is having trouble drawing young people and intellectuals to its ranks, now numbering 1.6 million.

Gianni Rocca, deputy editor of the leftist daily, La Repubblica, said: "The party is in a moment of a total loss of identity because every year the ideological tension is dropping in Italy. A party that based all its appeal on selling ideology is losing momentum."

Pope, in Calcutta, Meets With Mother Teresa

By Loren Jenkins
Washington Post Service

CALCUTTA — Overcome by emotion while encountering some of the most wretched people on Earth on Monday, Pope John Paul II personally fed the ill and dying at Mother Teresa's hospice, the clinic that brought the nun the 1979 Nobel Peace Prize.

The meeting between the pope from Poland, who is on a 10-day visit to India, and the desperately sick poor of this decaying and overpopulated port city took place as the pope paid homage to Mother Teresa at her sanctuary here.

Before a cheering crowd of tens of thousands who jammed the streets around this hospice for the city's poor and dying, the pope smiled and embraced the frail 75-year-old nun. He kissed her head, which was shrouded in a white sari, and put an arm around her shoulders. The pope greeted the first ecstatic crowd he has encountered since coming to India on Saturday, then walked into the clinic tightly clasping Mother Teresa's hand.

"This is the happiest day of my life," Mother Teresa was quoted as saying by a Vatican spokesman, Joaquin Navarro Valls, after she led the pope into the cramped clinic that she founded in the corner of a Hindu temple here dedicated to Kali, the Hindu goddess of destruction.

"I have been waiting for this for very long," she said. "He is truly a real father."

Earlier, as she had awaited the pope's arrival, Mother Teresa said: "He is coming to the poorest of the poor like Jesus. That the holy father, the pope himself, is coming into the house of the dying is a wonderful thing."

The pope and Mother Teresa toured the clinic to visit 85 patients, and he blessed the bodies of four persons who had died there during the day. According to the spokesman who accompanied them, the pope "was very, very moved" by what he saw as he visited the separate wards for men and women where the sick and terminally ill lay on cots in long rows.

"I never saw him actually cry," Mr. Navarro said later, "but sometimes when Mother Teresa asked him questions, he was too choked up by emotion to answer."

Moving first through the cots in the men's ward, then through the neighboring ward for women, Mr. Navarro said, the pope "touched every single person." He shooked their hands or held their heads in his hands, but if a patient was unconscious or too close to death to be aware of his visit, the pope made the sign of the cross on the patient's forehead.

Though only a few in the clinic are Catholic, the pope handed out a rosary to each patient. Most are Hindus from the impoverished slums that surround the clinic.

After visiting the patients, Mother Teresa took the pope into the cramped morgue where the day's four dead were laid out under simple white sheets. One was a woman, two were men, and one a young boy. Only one of the dead, Mr. Navarro said, was a Christian, but the pope blessed each body with the sign of the cross on the forehead.

Mother Teresa told the pope that since she opened her clinic here in 1952, 49,686 persons had been treated and that about 22,000 of them had died.

On the 14-mile (23-kilometer) route from the airport to Mother Teresa's clinic more than 100,000 people gathered to greet the pope as he rode in one of the white bullet-proof vehicles that the Vatican had sent to India from Rome so the pontiff could view the crowds.

■ Pope Assails Exploitation

Earlier, in Bihar, India's poorest state, the pope assailed the exploitation of workers, The Associated Press reported.

"The church rejects any social or economic system that leads to the depersonalization of workers over and above the concern for proper working conditions," the pope said.

Thousands of indentured laborers work in servitude for landowners, businessmen and moneylenders in Bihar to pay off family debts. The government outlawed the practice in 1976, but the system still exists. A civil liberties group said last October there are about five million such laborers in India.

Beirut Group Holds Korean Diplomat

The Associated Press

BEIRUT — A group calling itself the Revolutionary Cells said Monday that it held the South Korean diplomat kidnapped Friday, and it produced a Polaroid photograph of him.

A communiqué from the hitherto unknown faction, delivered to a Western news agency in Beirut, threatened to "liquidate" Do Chae Sung, 33, if the government in Seoul did not meet its demands.

The "combative, resisting Revolutionary Cells advise the Korean government to respond to all demands that will be announced later," the typewritten Arabic-language statement said.

The color photograph showed Mr. Do, the embassy's second secretary and consul, looking drawn and exhausted, with his hair dishevelled, standing against a wall and clutching the latest issue of Time magazine.

[A bomb exploded Monday in the Christian sector of East Beirut, killing at least one person, United Press International reported. It was the sixth bomb attack in the capital in 24 hours.

[Police said the bomb was exploded at the entrance to an office building in the neighborhood of New Jdaideh, which is controlled by the Christian Phalangist Party of President Amin Gemayel.

[They said the explosion killed at least one woman, wounded four persons and caused extensive damage. Two bomb attacks were made Sunday against Phalangist offices in East Beirut, and three wrecked Armenian-owned shops.]

AP

Do Chae Sung

■ Substitute Hostage Offered

Beate Klarsfeld, the Nazi hunter, said Monday that she had made contact with the kidnappers of at least four Lebanese Jews and had offered herself as a substitute hostage, Reuters reported from Beirut.

"I made a contact," Mrs. Klarsfeld said, adding, "You don't know in these circumstances whether it is a direct or an indirect contact."

The 46-year-old West German arrived in Moslem-controlled West Beirut on Jan. 17, after two kidnapped Jews were found murdered.

A Moslem group calling itself the Organization for the Oppressed on Earth said in November that it was holding four Jews.

In December, the group said it had executed two of the Jews in reprisal for Israeli actions against Shiites in south Lebanon. The bodies of the two hostages were found later in West Beirut.

Ethiopian Jews In Israel Hold Beauty Contest

Reuters

TEL AVIV — Ethiopian Jews in Israel have held their first beauty pageant despite opposition expressed by the community's religious leaders.

Contestants vied Saturday for the title "Queen of Sheba" in the northern city of Haifa. The winner was Tali Mara, a 20-year-old factory worker who has been in Israel for five years.

Israeli television said that Ethiopian Jewish religious leaders had voiced opposition to a beauty pageant, but organizers managed to recruit about a dozen contestants.

U.S. Orders Inspection of Boeing 747s for Cracks

Compiled by Our Staff From Dispatches

WASHINGTON — Federal Aviation Administration officials said Monday that they had ordered U.S. and some foreign airlines to inspect their Boeing 747s for potentially dangerous cracks in the fuselages of the wide-bodied jets.

An "emergency airworthiness directive" was issued after the FAA received reports that parts of the airframes, or bodies, of two 747s had been found to have cracks. "In one incident, three adjacent frames were found essentially severed," said an FAA spokesman, Stephen Hayes.

A plane belonging to Pan American World Airways had three cracks, he said. A British Airways plane had one.

"There has also been reported significant cracking of structural elements in other areas" of the forward section of Boeing 747s, Mr. Hayes said.

FAA officials said that such cracks, if left unrepaired, could pose a serious safety problem. "Failure of adjacent frames could lead to rapid decompression of the fuselage and possible loss of the airplane," it said.

A Boeing spokesman, Jack Gamble, said such "cracks are not unusual."

"These are nothing that would have any effect on the operation of the aircraft or would compromise the integrity of the airframe," he said. "These are minor little items."

The FAA said in its directive that the recent incidents demonstrate that current inspection programs "are inadequate to assure continued airworthiness" of the jet, which was introduced into commercial service in January 1970. Boeing has said that there are 615 of its 747s in service worldwide.

The FAA order applies to carriers based in the United States and to foreign carriers when they serve American cities. The FAA has no jurisdiction abroad but it sent advisories to foreign airlines "encouraging" them to undertake inspections.

Mr. Hayes said the directive calls for the oldest of the jets to be inspected within the next 25 flights and newer ones within 50 flights.

Aircraft with fewer than 10,000 flights were exempted, he said.

Spokesmen for several major airlines in the United States, which have a large number of Boeing 747s, said that inspections already were under way, and that the checks were not expected to disrupt normal service.

The FAA said U.S. carriers operate about 200 Boeing 747s and that its order would apply to about 160. Any cracks must be reported to the FAA within 48 hours and must be repaired, or the parts replaced, before the plane can take off.

Boeing 747s were involved in two major accidents last year, the Japan Air Lines crash in August that killed 520 and the Air India crash in June that claimed 329 lives. But officials said it did not appear that airframe cracks had anything to do with those crashes.

The Boeing spokesman, Mr. Gamble, said that the inspections ordered by the FAA are similar to those recommended by Boeing after the JAL crash. *(UPI, AP)*

Rogers, Armstrong to Lead Inquiry on Challenger

(Continued from Page 1)

William Graham, said the next shuttle launch would await the findings of the Rogers panel.

Mr. Rogers, who was secretary of state in the Nixon administration, is currently a partner in a New York law firm. Mr. Armstrong is chairman of Computing Technologies for Aviation Inc. of Charlottesville, Virginia.

■ Questions on Boosters

Earlier, Boyce Rensberger of The Washington Post reported from Washington:

The solid-fuel rocket boosters used for American space shuttles were considered so reliable that no provision was made to detect the sort of failure that appears to have led to the explosion of Challenger, according to Mr. Graham.

The boosters, Mr. Graham said Sunday on a television interview program, were not considered "susceptible to failure."

Because of that, he said, the National Aeronautics and Space Administration saw no need to equip the shuttle with a means to detect booster failure.

[But a NASA investigation less than three months ago sharply criticized the workers responsible for assembling Challenger's solid-fuel rocket boosters, the newspaper Newsday reported Monday.]

[A report dated Nov. 11 said the workers for Morton Thiokol Inc. were inexperienced, unmotivated and used "faulty equipment" at the solid-fuel rocket assembly facility at Cape Canaveral, the newspaper said. The report singled out as undisciplined the team with overall responsibility for readying the booster rocket for launch.

[According to the NASA report, the left rocket booster used to power Challenger last Tuesday was accidentally damaged in November when it was lifted by a crane, Newsday said. The right rocket, which is suspected of causing the explosion, was not damaged in the accident, but a section of it was replaced so the fuel mix in the two rockets would match.]

Film taken by an automatic camera shows that at 58.32 seconds into the Challenger flight, flames from the booster had burned a hole through the booster's steel wall and were playing on the tank of highly explosive liquid hydrogen.

Fourteen seconds later the hydrogen tank exploded.

Discovery of the burn-through led some NASA sources to speculate that corrective action could be taken quickly enough to resume shuttle flights as early as June.

Mr. Graham would not speculate on how soon the three remaining shuttles might be allowed to resume flying, except to say that it would not be long.

"The overall configuration and design," he added, "we believe to be fundamentally sound."

He also said that had Challenger's commander or pilot been aware early enough of the impending disaster, the shuttle could have been separated from its boosters and an attempt could have been made to glide it to the ground.

But a NASA spokesman said later that the crews had never trained for such a maneuver. NASA documents state that such an escape is possible only after the boosters have completed firing. That would have been nearly a minute after Challenger blew up.

Mr. Graham defended the lack of sensors to detect a booster burn-through. Just as an airplane cannot be designed to fly without a wing, he said, so the shuttle cannot be designed to fly without one of its boosters.

■ Soviet Comment Assailed

The White House on Monday called recent Soviet media comments on the shuttle disaster "a very callous approach to a very tragic event in space exploration," Reuters reported.

The theme of the Soviet comments was that high technology, such as that used in shuttle flights and proposed for a spaced-based missile defense, could not be considered reliable.

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Instant Success Came Slowly For the Smart Card's Inventor

By Joseph Fitchett
International Herald Tribune

RENNES, France — Roland Moreno needed no more than a night to think up the electronic device that he assumed would mean instant success. "You have an idea, boom," he says, slapping his forehead. Then he laughs heartily: Instant success took a dozen years.

The breakthrough came this week in Rennes, a city in Brittany, where a new piece of plastic carrying a microprocessor began appearing in people's wallets. The piece of plastic is an electronic credit card, known throughout the industry as the smart card, and it is the device thought up in 1974 by Mr. Moreno.

Rennes is a pilot area where a sophisticated version of the smart card is being issued to customers of the Banque Populaire de l'Ouest as they renew the credit card issued by the bank. Although the Banque Populaire is the first to issue the smart card, all major French banks are committed to joining the system.

The new card looks only a bit different from the millions already issued by Visa or American Express or any of the hundreds of other companies that deal in plastic currency. But embedded in the card is the microprocessor, a thumbnail-size simple computer on a microchip, which can store up to 200 sales and carry out data-processing operations.

The card's major advantage is security. The microchip core, which contains the holder's secret identification code, self-destructs if it is tampered with.

On a conventional credit card, the secret information is contained in the black magnetic stripe across the back. Although credit-card companies dislike discussing the subject, the stripe is relatively easy to change, allowing swindlers to charge sales that later turn up on the real owners' bills. Last year, growing fraud cost credit-card companies, or their insurers, an estimated $200 million in the United States and 60 million francs ($7.5 million) in France.

Because the smart card is considered tamper-proof, French banks are adopting it as a universal checkbook. With one card, holders will be able to shop in stores, draw large sums from cash dispensers and pay for phone calls and even highway and parking tolls. Eventually, bankers hope the card will eliminate checks, which are their largest single overhead expense.

By 1988, more than 12 million French people — nearly a fifth of the nation — are expected to be using banking smart cards. "Rennes is not an experiment," says Sophie Tacchi, a Banque Populaire executive. "We are offering customers a head start with this new technology."

The smart card is not simply a banking tool. Its microchip memory can also be programmed, for example, to print out the holder's medical history on a hospital computer. Or the card can be used to make a phone call — France's state-run phone company has just ordered 16 million smart cards for coinless booths designed to foil vandals who plunder pay phones.

World commercial rights to the smart card belong to Innovatron, a company based in Paris and founded by Mr. Moreno, now 38 years old, to sell his invention.

"Royalties from the phone card are Innovatron's first major revenue," he says, referring to the 20 centimes a card the company receives from manufacturers. Real wealth will arrive only when the company goes public on a stock market.

During the 12 years he has been working to promote adoption of the smart card, Mr. Moreno has founded another company, Hello Informatique, to sell some of his other electronic innovations, including software programs to allow computers to exchange information by phone. Started in 1982 with a partner, Hello last year employed seven persons and did nearly 7 million francs' business.

Sitting in Paris in Hello's offices, which are cheerfully cluttered with Silicon Valley memorabilia, a computer chassis undergoing creative tinkering and a compact-disc player producing the modern jazz that stimulates him, Mr. Moreno is philosophical about how long it took him to become a successful entrepreneur.

"I certainly had no idea how long it was going to take to budge the system in France."

The germ of the smart-card idea came to him while he paced the night away in his Paris apartment. "That's how I do my best thinking," he says. He was trying to think up an innovation like the ones in California he constantly read about. In those days, he was a free-lance journalist specializing in the burgeoning subject of microelectronics.

By dawn, the smart card, in all its essentials, had crystallized in his mind. Mr. Moreno thought that he and his wife, Stéphanie, an American, would quickly be able to stop worrying about money.

Instead, until this month, Mr. Moreno was still supporting his family, now including daughters aged 8 and 4, from his earnings as a consultant and at Hello. But, he acknowledges, he probably would have founded Hello anyway because he has an irresistible urge to see his ideas translated into products and practice — the mark of the entrepreneur.

"Like me, most entrepreneurs are impatient to get out there and start putting things together in a new way," he notes. In a rush, he quit formal education after getting a high school degree in Paris because "there are only a few people who can keep their creative powers long enough to master theoretical studies until their mid-20s."

By Silicon Valley standards, Mr. Moreno has waited a long time to become a success story. Apple Computer Inc. was started in 1977, three years after he developed the smart card; now Apple has 5,000 employees and a $2-billion annual turnover. Mr. Moreno knows Apple well, including its two founders, Steven P. Jobs and Stephen Wozniak.

Gamma

Roland Moreno

Hello specializes in telecommunications systems and software programs adapting Apple computers for France.

Mr. Moreno does not duck the comparison between Apple and the much-smaller Innovatron. "They went the industrial route by themselves," he points out. "The two Steves had the backing to put their idea into production."

For the smart card, the capital raised by Innovatron — less than 10 million francs — was enough to patent the invention until 1995 and sell the idea but far too little to produce and market the card directly. Instead Innovatron licenses rights to companies including France's state-owned Bull computer corporation and the high-tech conglomerate Schlumberger and such foreign companies as Philips in the Netherlands, Casio in Japan and Smartcard in the United States.

Mr. Moreno owns 31 percent of Innovatron, with Bull and Schlumberger smaller shareholders. Sixteen percent belongs to a group of his early backers, including Edmond de Rothschild's Compagnie Financière. Even with these members of the industrial establishment in his corner, it took Mr. Moreno years to persuade French banks to invest in the new system.

"It was like leaping into a taxi and then deciding where you want to go," he says. Whenever a bank wanted to adopt the smart-card system, it added to the card's complexity, cost and delay. Asked if he ever had any doubts of his eventual success, he says: "Some of my partners did, but not me." Then he laughs again. "Fortunately."

Botha Asks Blacks to 'Share in the Future'

By Alan Cowell
New York Times Service

CAPE TOWN — The newspaper advertisements placed Sunday by President Pieter W. Botha in an effort to change his image among blacks seemed to acknowledge that the South African authorities' limited overtures toward the black majority thus far had failed to gain significant support for a policy of cautious political change.

In the ads, Mr. Botha committed himself to sharing power by declaring, "From my heart, I ask you to share in the future."

"Revolutionaries may stamp their feet," the advertisement proclaimed in large type. "The Communists may scream their lies. Our enemies may try to undermine us. But here is the reality."

The advertisement was presented in the form of a lengthy typed memo from Botha, with passages deemed to be significant underscored. The text was also carried on state-run television on Sunday night.

"My government and I are committed to power-sharing," the advertisement said.

While opening Parliament in Cape Town on Friday, Mr. Botha said that blacks would be invited to sit for the first time on a "national statutory council" under his chairmanship.

The council, Mr. Botha said in the advertisement, "is not just a forum for the talkers. It is a first step toward institutionalized power-sharing."

That interpretation has been disputed by such black leaders as Bishop Desmond M. Tutu, who has complained that the council does not offer blacks power commensurate with their majority status.

In his advertisement, Mr. Botha declared: "We are committed to equal opportunity for all. Equal treatment. And equal justice." He recalled his government's actions last year in repealing laws forbidding sexual relations and marriage between whites and nonwhites, and other reforms in labor relations and sports.

"Those who want to seize power shout that apartheid lives," the advertisement said. "Well, those who want to share power say that it is dying."

It promised equal education for all and said that the despised "pass laws," which limit black access to segregated areas on the fringes of white-run cities, would be scrapped by July 1.

The date was the first deadline the government has given itself for ending a system that has led to the arrest of multitudes of blacks.

"I don't intend to stop here," the advertisement said. "Progress is ongoing. But my government and I are dedicated to it. I know there are some who say I should have gone further. The wheel of reform is turning."

But he warned: "South Africa will never hand this country over to those who would see it destroyed, to those under the misapprehension that solutions lie in anarchy."

The South African leader's new style unfolded Friday when he followed up the opening of Parliament with a radio and television broadcast to the 23 million black majority, appealing for their support.

Some analysts said that he may have been seeking to bypass radical black political organizations and get a message directly to the country's blacks.

At the same time, Mr. Botha seemed, with his unusual forthrightness, to be sending a signal beyond South Africa's borders, particularly to Western creditor banks that have refused to reschedule part of the country's $24-billion foreign debt unless there are major political reforms.

The authorities' strategy, according to pro-government commentators, is to seek to undercut the nation's radical protesters with offers and promises of change that depart radically from the dogma of apartheid enunciated in the 1950s and 1960s by the founders of Afrikanerdom.

But the new style did not seem to cloak the nation's paradoxes.

"Mr. Botha has yet to cross the bridge of committing himself to bringing blacks into Parliament itself," the South African Institute of Race Relations said.

A commentator in the Sunday Times of Johannesburg, which supports Mr. Botha's new initiative, said: "On Friday, Mr. Botha himself became a great communicator: self-confident, strong but not aggressive, reconciliatory but not grovelling. No finger-wagging, no threatening, but never looking weak."

"So convincing was he that only the cynical realized by the end of the speech that he had failed to come to grips with some of the most pressing problems facing South Africa this year," the commentator, Max du Preez, said.

Some of those issues included the continuing rule by emergency decree in major centers, the commentator wrote. Additionally, other analysts said, Mr. Botha has yet to announce the identities of those blacks who are ready to share power under his proposals or the amount of power that might be accorded them.

Drug Testing: U.S. Firms Get the Habit

(Continued from Page 1)

these concerns. "The innocent have nothing to fear with it," he said.

Whatever its legitimacy, drug testing by American employers has exploded in the last two years as medical companies saw a mass market for the tests and began to sell them aggressively.

According to a recent survey, at least 25 percent of all Fortune 500 companies screen for drugs in pre-employment physicals, up from 10 percent in 1981. Mr. Bensinger estimates that half the Fortune 500 companies will institute testing programs by 1988.

"The work force now is made up of people who went to college in the '60s and have taken their drug habits with them," said Mark A. Rothstein, a professor at the University of Houston Law Center who has written extensively on drug testing. As a result, he said, testing "is big business."

That business now reaches into nearly every segment of the work force, affecting white- and blue-collar workers alike: The 14,000 air traffic controllers in the United States will be required soon to submit to annual drug tests, under a program approved last year by the Federal Aviation Administration. The Drug Enforcement Administration said last month that its 4,200 employees will face mandatory urinalysis soon.

The Miami Herald announced last month that all employees would be required to submit samples for drug testing before being hired; similar programs are in place at the Los Angeles Times, The New York Times and the Chicago Tribune.

When the Kansas City Times & Star revealed plans last month to send dogs into the newsroom to sniff for drugs, company executives said the dogs were deemed to be less intrusive than urine samples. Nonetheless, the dogs were called off after protests.

The Baltimore Orioles last week became the first professional baseball team to institute voluntary drug testing. Last summer, random urinalyses were begun on all minor league baseball players and front-office employees by order of the baseball commissioner. Since 1983, professional basketball players have been tested if coaches suspect drug use.

Under the surprise urine testing program conducted yearly by the Coast Guard on its 38,000 men and women, monitors of the same sex accompany each individual into a bathroom and witness the procedure. "We don't want them to bring in baby's urine," said Rear Admiral Henry H. Bell, chief of Coast Guard personnel.

Shoddy lab practices and failure to use a second test to confirm initial results have been problems for many drug screening programs.

In recent years, the Defense Department dismissed numerous outside laboratories and reworked its own facilities after discovering that samples had been mixed up and tests conducted incorrectly. In 1984, the army notified at least 60,000 soldiers that their positive drug tests may have been wrong.

Although test manufacturers advise that test results be confirmed through a second method, not all laboratories do so.

The newest test to cause worker concern is one that detects exposure to the virus that causes AIDS.

In November, ENSERCH Corp. of Dallas, the parent company of a major Texas utility, became the first company in the United States to institute a regular screening program for AIDS when it required cafeteria workers in one division to submit to a blood test to determine if they had been exposed to the virus.

Several other Texas companies have done the same, according to Robert Holt, a Dallas lawyer who represents two ENSERCH workers who tested positive. The employees have been continued on the payroll but ordered not to come to work.

In another Texas case, at Hendrick Medical Center in Abilene, a cafeteria worker was fired in September after donating blood that routine screening showed to have the AIDS virus antibodies.

Federal health officials have said that individuals who test positive for AIDS virus antibodies usually pose no risk to others.

But an ENSERCH spokesman, Howard L. Matson, who noted that the company tests cafeteria workers for exposure to other communicable diseases, such as hepatitis, said medical knowledge about how AIDS is transmitted is so minimal that the company did not want to take the risk of employing food handlers who have been exposed to the virus.

Concerns about errors and privacy have led lawmakers in a few areas to begin to restrict testing.

Last year, San Francisco adopted the first ordinance in the country barring employers from using urinalysis to detect drug use, except where there are reasonable grounds to believe that an employee is impaired and presents a "clear and present danger" of harm.

As is usual in American life, as more employees are subjected to various tests, more of the cases are ending up in court.

"The first wave of lawsuits is by public employees who claim that they have been discharged because of refusals to take drug tests or as a result of the tests," said Mr. Rothstein. "Looming on the horizon are a whole series of additional lawsuits brought by either applicants for public employment or in the private sector from employees who have been discharged."

Public employees generally claim that randomly subjecting them to urine tests violates their rights to be protected against unreasonable search and seizure, and to due process. Private sector workers are employing several legal theories, from invasion of privacy to violation of a federal law preventing discrimination against the handicapped.

The results have been mixed. A New Jersey court approved in September a random testing program for jockeys; a New York court the next month blocked a program requiring teachers seeking tenure to submit to a urinalysis.

Europe's Entrepreneurs: The Rewards Are High and So Are the Risks

(Continued from Page 1)

PLC — are helping employees "spin off" companies to develop products that do not fit the parent company's industrial strategy.

Even popular concepts are changing. In the European press, successful entrepreneurs — "winners," as French newspapers describe them — have become media celebrities. "It's becoming socially more acceptable to make money," says a managing partner of Bever Beleggingen, a Dutch venture capital group.

Even so, European countries have a long way to go to change a social and business climate that is increasingly seen as stifling innovation.

"Europe has developed a social and cultural system that prizes security above risk, permanence above profits," says Arthur Burns, who retired last year as U.S. ambassador to West Germany. He was speaking at a seminar in Bonn on entrepreneurship, one of dozens sponsored in the last two years by the U.S. government and American foundations to help Europeans find techniques to rejuvenate their economies.

Again and again, the word "risk" dominates remarks about European economics. "We have suffered from a general unwillingness to take risks in combination with a failure to sustain newly started small companies so they can grow to critical size and compete internationally," Ralf Dahrendorf, former director of the London School of Economics, has complained.

Konrad Seitz, a West German government planner involved in high technology, agrees with Mr. Dahrendorf. "More people have to be prepared to abandon the security of their employment to take the risk of striking out on their own," Mr. Seitz says. "Entrepreneurship puts personal rewards above the career security that has been the essence of the welfare state."

Entrepreneurs are tailoring corporate approaches to fit Europe's changing business rules. Fascinated both by the "U.S. model" where an entrepreneur finds a venture capitalist to back his idea and by the "Japanese model" where large corporations cooperate on new technology, Europe is exploring several models of innovation.

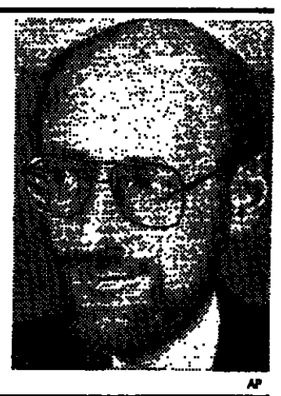
The government role is the most striking European difference. Many of the spectacular recent successes in high technology required government financing and support: nuclear-generated electricity in France, the European satellite-launching program, high-speed trains in France and soon in West Germany.

Even the Thatcher government in Britain has contradicted its policy of free enterprise to invest heavily in microelectronic and biotechnology companies.

Among private approaches, perhaps the most innovative comes from Mr. Wilmot's European Silicon Structures, a company that is starting to manufacture custom-

'Small companies are not wedded to old technology by investment, so they are willing to try new things.'

— Sir Clive Sinclair



AP

ized microchips for the European market. "We took the U.S. model — risk capital from venture capitalists — to create a prototype of our microchip-design machine and structure a pan-European company designed to avoid tax penalties due to our having sales and manufacturing operations in different European countries," Mr. Wilmot says.

Once this company was ready, it turned to a major electronics manufacturer in each important European market to buy a big stake. "This is the Japanese dimension: These companies will be our customers, our partners and our industrial consensus about future orientations and markets in the industry," Mr. Wilmot continues.

Despite government encouragement for these approaches, Europeans acknowledge that they lag behind the United States in several areas.

One is entrepreneurship in services, notes Shirley Williams, a former British minister of education and the author of a new book, "A Job to Live." "Almost no government support is forthcoming for innovations in services, which is the sector where entrepreneurship has created the most new jobs in the United States," she says.

Another American asset is the regulation requiring the Department of Defense, which is by far the largest U.S. high-technology contractor, to set aside about 5 percent of its work for small, new companies.

"These orders are more valuable, as income and as a reference, than an equivalent amount of government financing," Mr. Wilmot insists. In Europe, governments invariably order from large, established suppliers.

Another weakness, many specialists complain, is the reluctance of entrepreneurs to build their companies as fast as possible — in many cases because growth brings new problems.

The specialists might have been talking about Mr. Rovsing in Copenhagen.

In 1983, American Airlines needed an electronic system capable of linking several hundred thousand computer terminals on airline counters and in travel agents' offices throughout the United States to track millions of daily ticket reservations and cargo movements.

Amid intense competition for the $45-million contract, the biggest of its kind in airline history, American Airlines bypassed bidders in the United States in favor of a Danish electronics company, Christian Rovsing S.A.

Over the years, the company had grown steadily by providing custom-built systems for clients including NATO, the European Space Agency and Air Canada. Although the company's executives decline to provide figures about its financial position, by 1983 it employed 1,700 people.

Despite its reputation in Europe, the company was not invited to bid on the American contract. Then, on a business trip, a Rovsing executive heard about the tender, got in touch with a friend at American Airlines' data-processing hub in Texas and persuaded the airline to consider a foreign-built system.

The Rovsing company had two strong arguments. "We're not IBM, so we can help diversify electronic sources of supply," recalls Erik Hofmeister, an executive at the company. "And we have superb experience customizing a system and maintaining it well for a good customer."

American Airlines proved too good a customer for the Danish company. "The Rovsing company's staff structure and financing — in other words, its management — were simply not ready for the unprecedented demands," recalls a business analyst in Copenhagen.

Mr. Hofmeister continues the story: In the ensuing shake-up, control of the Rovsing company passed to a group of Danish financial institutions and to Standard Electric Kirk, a Danish subsidiary of ITT Corp. In its reorganized form, Rovsing has the American Airlines contract back on schedule, but the new management has drastically cut the company's work force and commitments.

Mr. Rovsing himself has become a special adviser in the company he founded.

All he will say now is: "We had the right technical solutions and we are going to be first with technical solutions to a lot of other tough future problems." But the business analyst in Copenhagen, who asked not to be identified, explains: "It was a classic case of a brilliant engineer finally running afoul of managerial limitations."

In Britain, Sir Clive is candid about his failures. "I never pretended to be a born manager," he admits. His successes have been even more impressive, including the first home microcomputer selling for less than $100. He remains convinced that Europe is capable of an economic comeback if more people will try to convert their inventions into businesses.

Small companies spread technology faster, Sir Clive says. "Small companies are not wedded to old technology by investment, so they are willing to try new things."

A few exceptionally innovative big corporations exist; Peter Drucker, an American business writer, cites IBM as one of them. Generally speaking, however, small new companies have powered the profusion of microelectronic products in the United States, mainly because of the entrepreneurial compulsion to produce an invention and then push it rapidly into the market.

Speed is essential with high-tech innovations. Industrialists once were able to amortize products over several years — the market life of a new typewriter model, for example, was 10 years, each one more profitable than the last because the company had perfected the manufacturing process and gradually paid off its equipment.

But this logic has been stood on its head by high-tech products that embody microchips, which for the last two decades have doubled in performance and halved in cost every five years.

"As a result, the market life-cycle of a high-tech product is often only two or three years before it is overtaken by a more-innovative model," says Wisse Dekker, chairman of Philips, the Dutch electronics multinational. If a new product fails to capture a big market fast, its profit-earning life is too short to repay the development investment. If it is big, the company absorbs the loss. If it is small, it goes bankrupt and the entrepreneur starts looking for a better mousetrap.

An attempt to identify the conditions that enable countries to succeed in innovation has been made by Henry Ergas, a high-technology analyst working with the Center for European Policy Studies in Brussels. Entrepreneurial talent can only flourish, Mr. Ergas says, if:

- Financial incentives are strong enough for skilled people to leave safe jobs for risky new ventures.
- Entrepreneurs have access to venture capital to finance innovative companies.
- A country has networks of reliable, well-equipped subcontractors to help make a complex product and networks of distributors to market and sell it.
- It is fast and easy to set up companies and, perhaps more important, liquidate them if their products fail.

Cutting across all these prerequisites are cultural attitudes — above all, suspicion of ambitious people ready to run risks to get rich.

"It's a classic double bind," says Jean-Louis Gassée, a French executive of Apple Computer, who has just moved into top management of the company in California. If a Frenchman goes out on his own and does not succeed, he says, "you are a failure, no one will ever again trust you enough to invest in your ideas. But if you succeed, it's almost worse: You are an exploiter, probably even a crook."

There are other strong disincentives to entrepreneurship in Europe. A French accountant, who asked not to be identified, said that "Nine-tenths of my clients who come to me with an idea for their own business drop it as soon as I tell them that if they fail, their employees can draw unemployment benefits but that they, as owner-managers, cannot."

Then there are the moral and legal stigmas attached to bankruptcy in Europe.

"The risk-taking spirit is less highly developed in Europe" partly because an entrepreneur who tries and fails is rarely given a second chance, Heinz Riesenhuber, West Germany's minister of research and technology, has said. "Americans are more willing and able to try, try again."

But unless it is easy to liquidate a business when it fails, entrepreneurs will hesitate to start a risky business, Mr. Ergas says.

An investor's heavy obligations to employees, even if the company fails, are an example of a larger obstacle to European entrepreneurship — labor rigidities. Particularly in high-technology industries, U.S. companies enjoy more flexible hiring and firing rules than exist in Europe. They have, for example, no need to get government approval to fire employees to survive a sales slump, as in France, or to negotiate with unions about details of work conditions, as in West Germany.

Similarly, European managers have been largely deprived of an attractive form of bonus, stock options, because of heavy taxation on them.

European firms have traditionally frowned on potential competition from former employees. In West Germany, "big corporations have close links with the major banks, so they can make it hard or impossible for a small spin-off firm to get financing," charges Professor Herbert Giersch at Kiel University.

Education is also a factor. The availability of business courses throughout the United States, even in engineering schools, has equipped generations of Americans with basic accounting and other management skills to run their own businesses.

Change is under way in all these sectors but the trend will have to strengthen for Europe to become truly entrepreneurial, businessmen agree.

"It's a snowball effect," says David Packard, a founder of the Hewlett-Packard Co., the engineering company that started as a high-tech spin-off and became part of the Silicon Valley legend. As he told a West German seminar: "Get a few successes, and you'll take off."

Next: Europe's venture capitalists: Not the real thing.

House Fire Kills 7 on Ibiza

Reuters

IBIZA, Spain — Seven persons died when a blaze swept through a villa on the island of Ibiza, police said Monday. They said a Dutch couple and their two children, two Swiss children and a Briton suffocated after fire spread from a fire place to wicker furniture.

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Jewels and the Crown: A Right Royal Obsession From Victoria to Diana

International Herald Tribune

HEBE DORSEY

"THE Royal Jewels," a book about the jewels of the British Royal family from Queen Victoria to Diana, Princess of Wales, reads like a detective story. For it has not only a collection that far outshines any other in the world, but all kinds of mysteries and intrigues.

The book, written by the fashion editor of The Times of London, Suzy Menkes (and published by Grafton Books, £14.95) has sold 25,000 copies, taking everybody by surprise.

"It started with Princess Diana, when she joined the family," Menkes said, "because I could see her changing from the girl-next-door into somebody very grand."

This sudden majesty, Menkes feels, "did not come from the clothes, not at all, but from the jewels." She approached Buckingham Palace and was put in touch with the office of the Lord Chamberlain, who looks after the royal treasures.

"At the same time, I was doing a lot of reading and a lot of looking. I read biographies and memoirs of life at court and pulled out all mentions of jewels. Then I got permission to go into the royal archives at Windsor Castle."

The real conundrum is to know what belongs to the crown of England and what is personal, and people in royal circles were not exactly happy that the subject was raised.

"I must stress," said Menkes, "that this is not an authorized book. I did not submit my manuscript and I quickly found that there were a few no-go areas, the Indian jewels, for instance. There were murmurings in some corners that the Koh-i-Noor should be given back."

One of the most useful finds in four years of research was Queen Mary's meticulous Dress Book, in which she listed all her clothes and jewels.

"Queen Mary is the character that interested me most," Menkes said. "For jewels are about people and how they affected royal people's lives. I was fascinated by their character. Queen Mary was a collector."

The book brings to light a shabby anecdote about Queen Mary's acquisition of the Romanov jewels. According to Menkes, when the dowager Empress Marie, Queen Alexandra's sister, escaped the Russian Revolution in 1917, she withdrew to her native Denmark with a casket of some of the most superb jewels of the Romanov royal collection.

After her death, in 1928, the box was taken from Copenhagen by Fritz Ponsonby, George V of England's private secretary. The idea was that the king, who, according to Menkes, supported his aunt in exile throughout the 1920s, was going to have the jewels appraised. The money was then to be put in trust for her daughters, the Grand Duchesses Xenia and Olga.

The jewels fetched £350,000, and the money accordingly was put by the king in trust for the grand duchesses. Queen Mary was present and "nobody at the English court, even perhaps the king himself, knew until 40 years later that Queen Mary . . . had picked out the choicest items for herself and had offered half the valuation price or had simply never paid up at all."

Years later, Mrs. Olga Koulikovsky — the Grand Duchess Olga — died in a humble flat in East Toronto, Canada. In her memoirs, as told to a Greek journalist, Ian Vorres, and published in 1964, she said that she and her sister only received a fraction of the money. The scandal was finally settled in 1968, when the current queen settled the debt with the younger son of the Grand Duchess Olga.

Besides the Romanov spoils, the royal collection was built at the height of the British empire with staggering offerings from India and South Africa. The famous Koh-i-noor diamond "was taken by conquest after the fall of the Punjab," Menkes said, "but most jewels were private gifts from the maharajahs to Queen Victoria, Alexandra and Mary."

The book speaks of the Delhi Durbar of 1911, which was the "apogee of jeweled splendor. The King Emperor entered the arena in Delhi . . . wearing the new Imperial Crown of India, made up for the occasion. . . . with over 6,000 diamonds, four enormous sapphires, four rubies and nine emeralds."

Pearl tiara, as worn by Queen Mary, Queen Elizabeth II, and Diana, Princess of Wales.

The Duke of Windsor also made a worthwhile visit in 1921. The Indian press reported that at a reception at Baroda, the prince "was garlanded in a heavy gold chain that dropped nearly to his feet."

Another major bauble in the royal collection is the Cullinan diamond, named after the owner of the Premier mine in the Transvaal, which measured 1½ pounds, or 3,025 carats in all. It was presented to Edward VII as a token of loyalty by "the people of the Transvaal" at the end of the Boer War.

Besides two major gems, one of which, the pear-shaped Star of Africa, is set in the royal scepter, the diamond divided into six large brilliants and 96 smaller diamonds, which are still affectionately called "Granny's chips" by the queen.

The book also reveals that Queen Victoria, who started this colossal collection, took pleasure in personalized family jewels. Her favorite piece was a bracelet containing a gold miniature of Prince Albert, which she never took off. Similarly, Princess Diana's favorite personal jewel is a gold koala bear bracelet charm that is her husband's private gift to her.

Queen Elizabeth the Queen Mother, known as "The Pearly Queen," cut a rather modest figure, but her daughter, Elizabeth II, or "The Queen of Diamonds," inherited a huge fortune from Queen Mary. However, according to her household, she wears very little jewelry — her pearls, a brooch on the lapel and her engagement ring.

There are enough dark areas to fill another book. There is the case of the missing emeralds, which Menkes claims were legitimately acquired by the duke from the Paris jeweler Cartier.

The jewels the king bought Wallis Simpson became the talk of the town after he abdicated. From assiduous research in the Cartier books, Menkes was able to find out that the duke, nicknamed in a Sem cartoon "The Prince Charming of the rue de la Paix" spent fabulous amounts of money on jewels. The duchess's collection included many custom-made pieces assembled with stones that the duke owned and that he probably reset.

What is to happen to this collection? One possibility is that it will go back to England and the new royal generation. Another is that it will be left to the Musée des Arts Décoratifs in Paris, "in gratitude for the generosity of successive French governments in housing the Windsors." (A close source to the duchess said in Paris recently that the duke's will specified that the duchess's jewels were to be dismantled so that nobody else could ever wear them.)

So what if the jewelry does not go back to the British crown? Questioned by the Marchioness of Cambridge on the subject, the queen is supposed to have answered: "Jolly good thing. We've got too much already."

Ricky Skaggs: Out There Playing Country 'Till the Cows Come Home'

By Michael Zwerin
International Herald Tribune

RICKY SKAGGS was named performer of the year by Nashville's Country Music Association last year. He also won awards for the best album, best single and best instrumental group. He has collected nine gold singles and one platinum album over a five-year career as leader. He has had eight No. 1 songs on the country charts, and his "Live in London" album (Epic) is on the charts right now. So why did he work for less than capacity, 1,500 people in a joint like the El Dorado in Paris, a few weeks ago?

"I'm touring Europe sowing some seeds," he drawled. "Hoping to plant a good crop and then come back and harvest it sometime. I know this tour's gonna cost money, but I'm willing to gamble on future success."

The Kentucky drawl is deep and melodic, and with gamy local cadence. "Although country music is European if you go back far enough, something happened to it when it got to America, which is the sadness and the loneliness when the writers and singers began to miss their families they had to leave behind. It became more American. But it's also obvious that music starts in one place and just always seems to come on home sooner or later, like a prodigal son."

Having played Oslo and Utrecht, Holland, the prodigal son was "not interested in changing European people's tastes. I'm just learning." They seem to like ballads in Brussels. In Paris up-tempo fast picking goes better. There are a lot of bluegrass fans in Paris. Bluegrass swing is like a cousin to the '30s French swing of Django Reinhardt and Stéphane Grappelli. "When I was about 15 I got a Capitol Record with a picture of Django on the cover, and boy it sure made a difference to me. It put more fire in my playing, and Stéphane opened a lot of new doors for me on the fiddle."

Before that he had been listening to Flatt and Scruggs, and Bill Monroe and the other people "involved in the meat and potatoes" — old time mountain country music. People like George Jones and Hank Williams and Merle Haggard, who brought out his Bakersfield country style. "But then a lot of different things started going in and out and began to get intertwined and the pop thing came in with Kenny Rogers and Crystal Gayle and Alabama and that's where a lot of it is right now. The traditional values kinda got pushed aside."

Sitting on a stool backstage beside a soft drink machine, Skaggs crossed his legs and you could imagine a straw in his mouth to go with his up-home cracker-barrel philosophy: "Country music ought to have international appeal because it deals with real people's daily lives. There's sorrow and pain yet happiness and hope there at the same time. It's about the ups and downs of real people. That subject doesn't come up so much in rock. That's why I think a lotta folks who don't understand English are gonna like this music sooner or later."

Skaggs: "The heart of the music had been cut out."

His father bought him a mandolin when he was five (he is 31 now). A year later he played it on the *Flatt and Scruggs TV show*. From 15, despite a brief retirement working days for Virginia Electric and Power in Washington, there was a steady string of sideman jobs with the Clinch Mountain Boys, J. D. Crowe and the New South, The Down Home Folks, Buck and Ricky (he married Buck's daughter Sharon), and Emmylou Harris, with whom he became, "fiddle player, harmony singer, mandolin player and sort of all-purpose hand," and then he went out on his own.

"When we started out almost five years ago, the heart of the music had been cut out and set over here in a jar for too long. I had this idea and a lot of hope that there were other folks like me who wanted to hear good country music again. I wanted to be traditional and digital at the same time, I mean pure tradition but with gusto and excitement. That's where our success has been — I suppose it's really been *my* success.

"But then after me some other folks started playing real country music — George Strait, The Whites and The Judds. It's a special mixture of bluegrass with mountain gospel, rockabilly and Cajun. I'm real pleased that my music's opened things up for people like the Judds. It's good to see how I've helped change country radio in the last few years, see the people becoming aware that there is someone that's young-blooded, who's strong, who's firm, and who's going to stand there and play real country music *till the cows come home*."

Being named entertainer of the year "made me real humble. It keeps me down to earth. I can't look at myself in the mirror and say, 'Good morning, Country Entertainer of the Year.' But it sure has made it hard to just drop into McDonalds back home in Nashville anymore."

Ricky Skaggs; London, Royal Albert Hall, London, Feb. 4.

No Frills, No Chills: The Hottest in French Lingerie

International Herald Tribune

MARY BLUME

PARIS — We all feel the chill these days and there's no reason to feel ashamed now that it's so fashionable to wear a warm undershirt. The Princess of Wales does. Not the urban-duckhunter's wool of the L. L. Bean catalog or the silk and cashmere mixtures advertised in The New Yorker, but the dowdy under-garment made by Damart in the textile center of Roubaix in northern France and sold under the slogan, "*Froid, moi? Jamais!*" (Me, cold? Never!)

Damart's undershirts are not made of wool but of a synthetic called Thermolactyl that is said to have amazing properties in protecting the wearer against the cold and damp and rheumatic pain. The Despature family, which had been making woollen yard goods in Roubaix since 1855, cottoned on to Thermolactyl in 1955 and went into underclothes, naming their new company Damart after a nearby street.

According to a company history, the foundation of Damart, which is now quoted on the Paris stock exchange, gave the Despature family a new sense of mission, which burns as bright as ever after 30 years: "In protecting from the cold and damp, in lessening suffering, in bringing comfort, Damart takes its clients under its wing, protects them and makes them firm friends." The spring catalog states, in a foreword signed P. G. Despature, "Your health and well-being are our constant preoccupations."

The slogan "Froid, moi? Jamais," is now one of the most popular in France. Before that, Damart used "*Ne Souffrez Plus*" (Suffer No More) but that was considered too stark. In addition to undergarments, the company sells Thermolactyl knee and waist bands, sensible shoes and uniquely drab outer clothing of the sort worn by people who go to church daily and to a pastry shop after. Since the clientele is mostly elderly, a whole new list of accessories — from hot-water bottles to vitamin pills and home protection devices — has been added to the catalog.

Mail orders account for 60 percent of sales, which totaled 1.3 billion francs (about $180 million) last year. Damart's telephone service is kindly and endlessly patient and the background music while one waits is sometimes Vivaldi's "The Seasons." Winter, of course.

Damart's stores, which are all over France (including five on the sunny Riviera) and also in Spain, Italy and West Germany, are often so crowded that even in summer the customer must take a ticket and wait. "We never speak of saleswomen but of counselors," says Michel Deconinck of Damart. "They aren't the sort of shop where you go in, buy something and go to the cashier. We take our customers in hand."

The company does not use designers or follow fashion. "For us it isn't fashion that predominates, but comfort," Deconinck says.

Still, there's a whole other world out there that Damart would like to add to its 6.2 million customers. They have started adding lace to their ladies' undershirts and making them in daring Easter egg colors with nipped-in waists. For spring they are even offering Thermolactyl mixed with silk.

The best seller in the women's line remains good old number 1.52, longish, unwaisted, thick and costing just under $10.

But younger customers are coming in, headed by motorcyclists and skiers. The really big boost came when the Princess of Wales announced to a group of English school children a couple of years ago that she wore a Damart undershirt. "Cold, me? Never," she is alleged to have said.

Damart has launched ads featuring a young ambassadress in a cold climate and a beautiful woman going to a ball in the dead of winter in the flimsiest of gowns. Damart under a Dior? And why not?

Last month British Vogue featured several soft-focus fashion shots of Damart woollies, and they were also photographed for The Times of London. If a tennis player's sweatband can become fashion, why not a Damart shoulder soother or ankle support?

Until then, the company's line is so wide that from infancy to the grave the customer can be soothed by the company's mother hen approach and synthetic heat. One's first words and, with perhaps less conviction, one's last, could be, "Cold, me? Never!"

Part of a page from the Damart catalog.

Edinburgh Festival Plans Weber's 'Oberon'

The Associated Press

EDINBURGH — Organizers of this year's Edinburgh Festival said they would stage their own production of Carl Maria von Weber's "Oberon," to mark the festival's 40th year.

The three-week international festival, as well as the hundreds of "Fringe" productions by professionals and amateurs, has no challenger as the largest arts festival in the world.

The world premiere of the "Oberon" production will open the three-week festival on Aug. 10 in the Usher Hall, the traditional concert venue. The hall has been transformed and given a full stage in an attempt to make up for the continuing lack of an opera house, the cause of unceasing criticism of the city fathers, who say they cannot afford one.

"Oberon" was first performed at Covent Garden in London in 1826 with the German composer conducting. The Edinburgh production will be conducted by Seiji Ozawa, principal conductor of the Boston Symphony Orchestra, and designed by Carl Toms, a British designer for theater, opera, films and ballet.

Other festival opera includes Leningrad's Maly Company with a Tchaikovsky program of "Eugene Onegin" and "The Queen of Spades," and possibly the one-act "Yolanta."

The festival plans a world theater season. Details were not complete, but two companies booked are Sweden's Royal Dramatic Theater of Stockholm with Ingmar Bergman's new production of Strindberg's "Miss Julie," and a return visit by Japan's Toho Company with Euripides's "Medea," directed by Yukio Ninagawa.

Foreign orchestras at the festival include the Moscow Virtuosi and the Toronto Symphony Orchestra conducted by Andrew Davis.

Two Polish 'National' Operas Are Staged in Lyon

By David Stevens
International Herald Tribune

LYON — A mini-cultural exchange has brought the opera company of Lodz, Poland's second-largest city, to Lyon with a series of performances of two operas all but unknown outside Poland and neighboring Slavic countries, but of seminal importance and enduring popularity at home — Stanislaw Moniuszko's "Halka" and "Straszny Dwór" (The Haunted Manor).

Moniuszko (1819-72) is the most important 19th-century Polish composer after Chopin, but while the latter lived a cosmopolitan existence in western Europe and composed almost exclusively for the piano, Moniuszko — who came from a family of landed gentry — stayed at home and worked in and composed for the musical stage.

After writing a number of works in *opéra comique* style, the composer fixed his place in musical and Polish history with his first dramatic opera, "Halka," which had a private performance in 1848 in Wilno, a professional one in that city's theater in 1854, and its Warsaw *premiere in an expanded four-act* version in 1858. Its popularity made him the father of Polish national opera (although in his lifetime Poland did not exist as a political entity), a figure comparable in many ways to Glinka in Russia, Verdi in a still-fragmented Italy, Smetana in Bohemia, or even Auber, whose "La Muette de Portici" is credited with setting off the 1830 revolution in Brussels.

Yet there is nothing overtly patriotic about "Halka." It has no heroic figures; its rather banal story is of an emotionally unstable mountain peasant girl (Halka), seduced and abandoned by a nobleman, who kills herself when he marries a woman from his own social class. The conflict in the plot is not nationalistic, but one of class — between the callous nobility and the mountain dwellers, whose most defiant representative is a young man vainly in love with Halka.

It is not always easy to understand now how certain 19th-century operas touched a patriotic nerve. Moniuszko's musical language owed a lot to 19th-century operatic convention, and he knew how to create a specifically Polish atmosphere. The first act of "Halka" opens with a polonaise and closes with a fiery mazurka, and the third act is a kind of an interlude among the mountain folk, with a vigorous rustic dance and choruses that evoke a folklike mood without being outright folk music.

But Moniuszko also has a strong personal voice and a solid musical-dramatic sense, and this comes out in some of the music for the tormented Halka, for the weak and remorseful young nobleman, and a powerful tenor aria for the young peasant who pines for Halka and despises the nobility.

"The Haunted Manor" had its premiere in Warsaw in 1865 and is decidedly a more sure-handed and accomplished work. This despite the libretto, a piece of pure operetta hokum about a pair of young warrior noblemen who pledge themselves to celibacy and patriotic soldiering but who of course end up marrying two daughters of their father's old friend. The "haunted" bit is merely a pretext for comic byplay.

What the book did offer Moniuszko was the chance to represent sympathetically on stage some of the customs of the Polish nobility, and the score is richly outfitted with dance forms to do the job. But the work is lifted right out of its apparent operetta category by some expressive and highly developed airs and ensembles, notably a scene for the tenor brother that is full of nostalgia and emotional confusion. And there are splendid choral passages, especially the double chorus of huntsmen and manor-dwellers that climaxes Act 2.

It all seems tame enough, but "The Haunted Manor" was banned by Russian authorities after three fervently received performances, not to be seen again until after Moniuszko's death.

The Lodz performances might be described as respectable provincial. The orchestra was obviously at home in this music. The voices were strong rather than attractive, and the lower ones typically more impressive than the higher ones, which tended to be edgy and more prone to Slavic wobble.

Visually the costumes were colorful and presumably authentic, but the sets and stage direction dated aesthetically from the time the works were composed.

As the quid pro quo, in November the Lyon Opera takes its production of "Pelléas et Mélisande" to Lodz for what is said to be the first staging of the Debussy work in Poland.

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NYSE Most Actives

	Vol.	High	Low	Last	Chg.
AT&T	30707	21¾	21⅛	21½	+ ⅛
PSInd	27533	8½	7⅞	8⅛	— ⅜
Exxon	21723	52	51¼	51⅝	— ⅛
Reynln s	20588	34½	33	34	+1
BeatCo	19120	45⅝	44⅜	45½	+1⅛
SouthCo	18869	22¼	21⅞	22¼	+ ¼
EastAir	18203	6⅞	6¼	6⅝	+ ⅜
AEIPw	16222	25⅝	25⅛	25⅝	+ ½
Mobil	15487	29⅞	29¼	29½	— ⅛
Morton	15167	32¼	30	32	+ ¾
IBM	13871	154⅝	151⅛	154⅝	+3⅛
Schlmb	12983	33⅜	31⅞	32⅛	—1
NL Ind	12660	16⅛	15	16	+1
GMot	12384	76⅜	73⅜	76	+2
Sears	12140	40⅝	39⅝	40½	+ ⅝

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	1570.53	1600.11	1564.33	1594.27	+ 23.28
Trans	749.05	759.85	742.71	756.29	+ 7.83
Util	176.40	179.06	175.52	178.14	+ 1.23
Comp	632.36	643.07	629.13	640.40	+ 7.90

NYSE Index

	High	Low	Close	Ch'ge
Composite	123.29	122.08	123.29	+ 1.16
Industrials	140.39	138.92	140.39	+ 1.41
Transp.	121.79	120.31	121.79	+ 1.46
Utilities	63.97	63.51	63.97	+ 0.25
Finance	137.37	136.26	137.37	+ 1.39

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	84.74	+ 0.49
Utilities	83.78	+ 0.43
Industrials	85.71	+ 0.56

NYSE Diaries

	Close	Prev.
Advanced	1094	1116
Declined	543	508
Unchanged	393	390
Total Issues	2030	2014
New Highs	222	193
New Lows	20	21
Volume up	96,113,680	
Volume down	34,546,420	

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
Jan. 31	237,120	511,347	1,455
Jan. 30	191,566	477,863	1,497
Jan. 29	260,819	559,189	1,095
Jan. 28	219,135	488,367	2,025
Jan. 27	210,295	493,415	2,740

*Included in the sales figures

Monday's NYSE Closing

Vol. at 4 P.M.	145,280,000
Prev. 4 P.M. vol.	143,518,000
Prev consolidated close	143,518,000

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

AMEX Diaries

	Close	Prev.
Advanced	287	330
Declined	286	225
Unchanged	247	262
Total Issues	820	817
New Highs	39	49
New Lows	15	17
Volume up	3,370,730	
Volume down	3,649,230	

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	337.44	+ 1.49	330.20	280.77
Industrials	338.47	+ 1.25	332.31	303.10
Finance	449.44	+ 2.37	437.81	322.56
Insurance	408.47	+ 2.58	388.14	314.74
Utilities	311.86	+ 0.59	307.40	264.12
Banks	356.48	+ 1.33	349.41	263.23
Transp.	313.62	+ 0.43	316.89	263.77

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	236.05	233.06	235.82	+ 2.54
Transp.	200.66	198.10	200.35	+ 1.52
Utilities	96.02	95.71	95.95	+ 0.62
Finance	26.98	26.62	26.72	+ 0.29
Composite	214.18	211.40	213.96	+ 2.18

AMEX Sales

4 P.M. volume	9,200,000
Prev. 4 P.M. volume	9,770,000
Prev. cons. volume	9,770,000

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
DomeP	3148	2	1⅞	1⅞	[illegible]
WangB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]					

AMEX Stock Index

High	Low	Close	Ch'ge
243.56	242.46	243.08	— 0.38

Prices Surge 23 Points on NYSE

Reuters

NEW YORK — A report of higher than expected earnings from General Motors Corp. triggered a wave of buying Monday that pushed prices on the New York Stock Exchange to record levels for the second consecutive session.

The Dow Jones industrial average climbed 23.28 points, to 1,594.27, from Friday's record close of 1,570.99. Analysts said a drop in oil prices was a major reason for the gains of the last eight sessions, which has seen the Dow rise more than 90 points.

Traders said widening premiums on stock-index futures also encouraged buying by professional investors and played an important part in leading the market higher.

Advances led declines by a 2-to-1 margin and NYSE volume rose to 147.53 million shares from 146.04 million Friday.

Broader market market measures also ended at record highs, beating marks set Jan. 7. The Dow transportation average, which set records three times last week, rose 7.83, to 756.29; the NYSE exchange composite index rose 1.16, to 123.29; and Standard & Poor's 500-stock index gained 2.18, to 213.96.

The price of an average share increased 35 cents.

AT&T led the actives, up ⅛ to 21½. IBM jumped 3⅛ to 154⅝ as blue chips led the advance.

General Motors gained 2, to 76. The automaker reported that fourth-quarter earnings jumped to $3.85 per share from $2.76 a year earlier. Estimates had ranged from $3.05 to $3.65.

"We had a happy combination of good business news including the GM earnings," said Robert Stovall of Stovall/Twenty-First Advisers.

Pointing out that GM shares were trading in the mid-80s a year ago, he said the stock is "regaining the bellwether status that it lost because of confusion over the class E and H shares and the auto-import situation." The E and H shares were issued in connection with recent GM acquisitions.

He said the rise in GM, which has gained about 10 points since October, "gives heart to people who like to buy cyclical stocks."

In other positive new for stocks, the Commerce Department said construction spending rose 2.8 percent in December while factory orders increased 2.7 percent. The figures were stronger than expected.

"I think the GM results caught Wall Street by surprise," said Eugene Peroni of Bateman Eichler, Hill Richards in Los Angeles.

He said the earnings report "enriched the tone of the market" by helping a significant bellwether along.

Lower oil prices also play a role, he said. "Expectations are that the Federal Reserve will not tighten credit without any threat to inflation."

But he cautioned that the stock market can be "brittle to adverse external news." He noted that the market declined 39 points on Jan. 8, the day after a record-setting performance.

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
A										
28	16	AAR	.56	2.1	16	284	26⅝	26¼	26⅝	+ ½
24⅝	10¼	AGS			18	99	22⅜	22½	22¼	+ ¼
15⅝	9⅝	AMCA				2	12½	12⅜	12⅜	— ⅛
50⅛	35⅝	AMR			8	5210	48⅝	46⅜	48⅝	+1⅝
24⅝	18⅝	AMR pf	2.18	8.9		7	24⅝	24⅛	24⅝	+ ½
25⅝	23¼	ANR pf	2.67	10.7		3	25	24½	25	+ ½
11¼	7⅛	APL			5	20	10⅛	10½	10½	
16¼	10⅝	ARX			12	114	14	13⅝	13⅝	+ ¼
55⅝	32¾	ASA	2.00a	5.1		630	40⅝	38⅝	38⅝	—1⅛
26½	10½	AVX		2.2		167	14½	14⅛	14⅛	+ ⅛
28⅛	20⅛	AZP	2.72	10.2	7	6411	26¾	26	26⅝	— ⅛
72	46	AbtLab	1.40	2.0	18	2387	69⅞	67⅝	69⅞	+ ½
28½	19⅝	AccoWd	.50	1.7	21	538	29¼	28¼	29⅛	+ ⅞
24⅝	10	AcmeC	.40	3.0	19	165	13⅛	13	13⅛	— ⅛
10½	7	AcmeE	.32b	3.7	16	40	8⅝	8⅝	8⅝	— ⅛
19⅞	16⅛	AdaEx	1.90e	10.6		143	18	17⅞	18	+ ¼
22⅝	14	AdmMl	.40	1.9	9	14	21	20⅞	20¾	— ⅛
18⅛	8⅝	AdvSys	1.36t	7.8	16	807	17½	17⅛	17½	+ ¾
36⅛	22⅛	AMD				4307	27⅝	26⅝	27¼	— ⅛
12⅛	10⅝	Adobe n				57	11⅝	11½	11½	+ ⅛
18⅛	14⅝	Adob pf	1.84	10.9		27	17⅛	16⅝	16⅝	+ ¼
18½	15¼	Adob pf	2.40	13.3		8	18⅛	18	18	
15¼	8⅝	Advest	.12a	.8	14	238	14⅝	14¼	14⅝	+ ⅛
57½	39⅝	AetnLf	2.64	4.6	19	6753	57⅝	55⅞	56⅝	+1
57½	52½	AetL pf	5.19e	9.6		10	54¼	54¼	54¼	+ ¼
100¼	99¼	AetL pfC				25	100¼	100⅛	100¼	+ ¼
59⅛	27⅛	Ahmns	1.20	2.0	7	1878	59⅝	57⅝	58⅝	+1⅛
4⅝	2½	Aileen			206	123	4⅛	4⅛	4⅛	— ⅛
72½	46⅞	AirPrd	1.48	2.1	15	399	71½	70⅜	70⅝	— ⅛
24⅛	17½	AirbFrt	.60	3.2	11	166	19⅛	18⅝	19	— ¼
2⅛	1½	AlMoan	1.50c			150	2	1⅞	2	
8⅝	7	AlaP dpf	.87	9.8		92	8⅝	8⅝	8⅝	+ ⅛
81	63½	AlaP pf	8.16	9.7		5710z	84½	80	84½	+4½
78½	65	AlaP pf	8.28	10.7		1408z	77½	77½	77½	
26⅝	15⅝	AlskAir	.16	.9	7	431	17⅝	17⅛	17⅝	
40	12½	Alberto	.42	1.1	26	80	37⅝	37½	37⅝	+ ⅛
33¼	26⅝	Albtsns	.76	2.4	13	413x	32⅝	31⅝	32	+ ½
32¼	22¼	Alcan	.80	2.6		2409	31½	31	31⅛	— ⅜
39	31½	AlcoStd	1.24	3.3	16	725	37¼	36	37¼	+1⅛
35⅞	26	AlexAlx	1.00	2.8		2702	36⅛	35	36⅛	+ ⅞
42	21⅝	Alexdr			44	77	38⅝	37⅝	38⅝	+ ½
89⅝	75	AllgCp	1.54t	1.7	23	95	89½	88⅛	89⅝	+1⅝
27½	24½	AlgCo pf	2.86	10.5		7	27⅛	27⅛	27⅛	
28¾	16½	Algint	1.40	8.4		314	17	16½	16⅝	— ¼
20¾	15⅛	Algin pf	2.19	12.4		16	17¾	17⅝	17⅝	
98	78	Algl pfC	11.25	12.8		48	88	87¼	88	+1¼
35¼	28⅛	AllePw	2.70	7.6	10	640	35½	34⅞	35⅝	+ ⅜
23½	14⅝	AllenG s			16	194	23⅝	23	23¼	— ¼
30	16½	AlldPd			12	57	28½	28	28½	— ¼
48⅛	42	AldSgn n	1.80	3.8	10	6984	47⅝	47	47⅝	+ ⅜
63¼	58⅝	AldS pfC	6.74	10.9		80	61¾	60⅝	61¾	+1
111	103½	AldS pfD	12.00	11.0		27	108¾	108½	108¾	+ ⅜
73¼	50¼	AlldStr	2.20	3.1	9	1203	71⅛	70⅛	70⅝	— ¼
9½	3⅛	AllisCh				556	4⅝	4¼	4⅝	
34⅞	26¼	AllsC pf				17	35	33	35	+2½
31½	25½	ALLTL	1.96	6.1	10	105	31⅞	31⅛	31⅞	+ ⅜
40½	33¼	ALLT pf	2.06	5.0		1	41	41	41	+ ½
42⅞	29¾	Alcoa	1.20	2.8		3088x	42⅝	41⅜	42¼	+ ⅜
19	10½	Amax				902	13⅝	13¼	13½	— ⅛
34	23⅞	AmHes	1.10	4.6		3923	24½	23⅞	24	— ½
2⅛	1⅛	AmAgr				118	1⅝	1½	1⅝	
27¾	16¾	ABakr			10	321	25½	24⅞	25⅛	+ ½
70	53¼	ABrand	4.04	6.0	9	774	68⅛	67¼	67⅞	+ ½
32⅛	25¾	ABrd pf	2.75	8.8		11	31½	31⅛	31¼	+ ⅛
70⅛	54⅝	ABrd pf	2.67	3.9		19	68⅝	68	68⅝	+1⅛
30⅛	20⅝	ABldM	.86	3.9	16	51	22⅛	22	22⅛	
35¼	22⅛	ABusPr	.64	2.1	16	53	31	30⅛	31	+ ⅞
67	49¼	AmCan	2.90	4.4	13	1852	66¼	65⅛	66¼	+ ¾
58¼	44	ACan pf	3.00	5.1		48	58½	58	58½	+ ¼
118	106⅛	ACan pf	13.75	11.9		6	115⅛	115	115⅛	+ ⅛
22½	18	ACapBd	2.20	10.0		121	22	21⅝	22	+ ⅛
30⅞	25¼	ACapCv	2.51e	8.4		24	30⅛	29⅝	29⅝	— ⅛
11	4⅝	ACentC				24	5⅝	5⅝	5⅝	
60⅝	48	ACyan	1.90	3.2	17	1362	60¼	59¾	59⅞	+ ½
29⅝	21⅜	ADT	.92	3.9	22	117	23¼	23	23⅛	+ ⅛
25⅝	19⅞	AEIPw	2.26	8.8	10	16222	25⅝	25⅛	25⅝	+ ⅛
58⅝	40¼	AmExp	1.36	2.3	16	8677	58	56⅝	58	+1⅛
36⅝	16⅝	AFaml s	.48	1.3	22	744x	37½	35⅛	37⅛	+1⅛
39	27⅛	AGnCp	1.00	2.7	10	3126	37⅛	36⅞	37	+ ¼
17¼	9⅝	AGnl wt				348	17¼	16⅝	16⅞	— ⅛
54⅛	53	AGnl pfA	5.64e	10.3		6	54⅛	54⅛	54⅛	
77¼	55	AGn pfD	2.64	3.6		37	73⅞	73⅛	73⅞	+ ½
44⅛	30	AHerit	1.20	3.0	11	7	39⅝	39⅝	39⅝	+ ⅜
13⅜	8¼	AHoist	.29e	2.9		63	10	9⅝	9⅝	+ ¼
67⅞	54½	AHome	3.10	4.6	14	3501	68¼	67⅛	68	+1
110¼	78¼	Amrtch	6.60	5.9	10	1094	111⅝	109½	111	+1
120½	68⅝	AInGrp	.44	.4	26	1451	117⅝	116⅜	117¼	+ ⅞
196½	120	AIGp pf	5.85	3.0		5	192¾	192½	192¾	+2
28⅝	16	AMI	.72	3.7	11	5142	19⅝	19	19⅛	— ⅛
4⅛	2¼	AmMot				784	2⅝	2⅛	2⅝	
29	13⅞	APresd s	.50	2.7	10	1095	18⅝	17⅞	18⅝	+ ⅜
13⅝	5	ASLFla				1024	9⅝	9⅛	9⅝	+ ⅛
18½	12¼	ASLFl pf	2.19	11.7		73	18⅝	18½	18⅝	+ ¼
15⅛	11⅛	AShip	.80	7.4	8	61x	11	10⅞	10⅞	
40⅞	26⅝	AmStd	1.60	4.0	13	1089	40⅛	39⅞	40⅛	
68¼	48⅝	AmStor	.64	1.3	12	196	65⅝	64⅝	65½	+1
73	59½	AStr pfA	4.38	5.8		13	76	75⅝	75⅝	+ ⅜
59⅞	52¼	AStr pfB	6.80	11.4		3	59½	59⅜	59½	+ ⅛
25⅛	19⅝	AT&T	1.20	5.5	16	30706	21⅜	21⅛	21½	+ ⅛
43⅜	34⅞	AT&T pf	3.64	8.3		322	44	43¾	44	+ ⅜
45¼	36	AT&T pf	3.74	8.3		5	44⅞	44⅞	44⅞	+ ⅛
33	21¾	AmWatr	WM2	3.5	10	63	32	31½	32	
14	10⅞	AWat pf	1.25	9.1		308z	13¾	13¾	13¾	— ¼
14¼	11	AWa 5pf	1.25	9.2		10z	13⅝	13⅝	13⅝	+ ⅛
28½	9⅝	AmHotl	2.20	20.5	4	362	10⅝	10⅛	10⅜	— ⅛
74	66	ATr pr	5.64	7.9		34	71⅞	70½	71⅞	+1⅛
23⅜	8½	ATr sc				200	21⅝	20⅞	21⅜	+ ⅛
96	75	ATr un	5.64	6.1		22	93	92	93	+1
52⅞	29⅞	Ameron	1.60	3.3	9	6	47⅞	47⅝	47⅞	+ ⅛
26⅞	14¼	AmesD s	.10	.4	24	1095	25⅝	25⅛	25⅝	+ ⅛
29⅛	19⅝	Ametek	1.00	3.6	16	114	28⅛	27⅝	27⅞	
11⅛	9⅝	AmevSc	1.08	10.2		59	10⅝	10½	10⅝	
28⅛	22	Amfac			282	91	25⅝	24⅝	25⅛	+ ¼
16	⅝	vjAmfsc				89	1⅛	1⅛	1⅛	— ⅛
70¼	56¼	Amoco	3.30b	5.9	7	4349	56⅝	55	55½	—1⅛
37½	27½	AMP	.72	1.9	37	2447	37⅝	36½	37⅝	+ ⅞
18	11½	Ampco	.30	2.0	18	303	15½	15¼	15¼	+ ⅛
25	12½	Amrep s			13	154	23⅝	22⅝	23⅝	+ ⅝
29⅞	17¼	AmSth s			11	84	28⅝	28¼	28⅝	+ ⅛
46⅛	34⅝	Amsted	1.60	3.5	19	1736	45⅝	45½	45⅝	
4¼	2⅛	Anacmp				639	3⅛	3⅛	3⅛	+ ⅛
27½	18	Anlog			29	867	26	25⅝	25⅞	— ⅛
27¼	20⅛	Anchor	1.48	5.9		463	25⅛	25	25⅛	— ⅛
57⅞	34⅞	AnClay	1.32	2.4	38	174	54⅝	54½	54⅝	+ ⅛
16⅛	10⅝	AndrGr	.24b	1.7	15	26	14	13⅞	13⅞	
29⅛	18½	Angelic	.60	2.1	15	82	28⅝	28	28⅝	— ⅜
45¾	24¼	Anheus s	.80	1.9	15	2946	41⅝	41¼	41½	+ ½
86⅛	52¾	Anheu pf	3.60	4.4		26	82	82	82	
22⅝	13½	Anixtr	.28	1.3	20	116	21½	21⅛	21½	+ ¼
17⅛	10¼	Anthem	.04	.2	38	1123	16⅝	16½	16½	— ⅛
15⅛	11	Anthny	.44b	3.1	9	26	14⅛	14	14⅛	+ ⅛
15⅛	9⅞	Apache	.28	2.7	10	147	10⅝	10⅛	10⅝	+ ⅛
		ApchP wt				119	⅝		⅝	
19½	15⅛	ApchP un	2.10	12.8		546	17	16¼	16⅝	— ⅛
26⅝	24½	ApPw pf	2.65	9.8		287	27	27	27	+ ⅛
34⅛	30⅝	ApPw pf	4.18	12.7		5	33	32⅝	33	+ ⅛
32	28½	ApPw pf	3.80	12.4		2	30⅝	30⅝	30⅝	+ ⅛
17¼	11¼	ApplMg			28	151	17⅛	16⅞	17⅛	+ ⅜
28⅛	19¼	ArchDn	.14b	.5	14	2565x	27¾	27¼	27½	
31½	27	ArlP pf	3.58	11.8		21	30¼	30	30¼	+ ¼
36	18	ArkBst	.60	1.7	12	224	35¼	34⅝	34⅝	+ ⅛
24⅛	17	Arkla	1.08	6.1	20	1329	18	17⅝	17⅝	
⅝	⅛	ArlnCp				147	⅜		⅜	— ⅛
15⅞	11½	Armada				3	11½	11⅛	11½	
11⅝	6¼	Armco				2133	10½	10	10⅛	
22½	15⅞	Armc pf	2.10	10.1		8	20⅝	20½	20⅝	+ ⅛
24⅛	13½	ArmsRb	.48	2.9	18	118	16⅝	16	16⅝	+ ½
46	30⅛	ArmWin	1.30	2.8	11	736x	46	44½	45⅝	+1
18	11¼	ArowE	.20	1.3		54	16⅛	15⅞	16	— ⅜
30¼	19½	Artra	.22	1.0	36	54	21½	21	21¼	— ⅛
23⅝	14¼	Arvin s	.64	2.8	10	168	23	22⅝	22⅝	— ⅛
73⅝	45½	Arvin pf	2.00	2.8		5	72½	72¼	72½	—1½
27¼	15¾	Asarco				318	20⅞	20⅛	20¼	— ¼
43¼	28⅝	AshlOil	1.60	4.2	8	923	38⅝	37⅝	38	+ ½
45⅝	36⅝	AshlO pf	3.96	9.1		36	43½	43	43½	+1
43½	27⅛	AsdDG s	1.40	3.5	13	1816x	41⅛	40⅝	40⅝	—1⅛
23½	16⅛	Athlone	1.60	8.5	35	11	18⅝	18½	18⅝	+ ⅛
30⅞	22⅛	AtCyEl	2.58	8.3	11	19⅛	31	30⅝	31	+ ¼
67⅞	45	AtlRich	4.00	7.7		4498	52⅝	51½	52⅛	— ½
455	305¼	AtlRc pf	3.00	.9		2	351	351	351	—6¼
162	107½	AtlRc pf	2.80	2.3		5	125	123⅝	122⅝	—2
16⅞	10⅛	AtlasCp				11	14½	14⅛	14⅛	— ½
29½	20¼	Augat	.40	1.5	31	1141	27	26½	26⅝	— ⅛
62⅝	35¼	AutoDt	.48	1.1	23	1312	62½	62	62	— ⅛
5⅛	3⅛	Avalon n	.05e	1.0		37	4⅞	4⅝	4⅞	+ ⅛
39½	21⅜	AVEMC	.60	1.6	16	8	38⅝	38	38⅝	+ ⅛
39⅛	30	Avery	.68	1.9	15	380	36⅝	35⅛	36	— ½
38¼	27	Avnet	.50	1.4	39	2279	35⅝	34⅝	35⅜	+ ⅝
29	17⅛	Avon	2.00	7.3		3674	27⅝	27	27½	+ ⅛
26⅛	16½	Aydin			16	30	18⅞	18⅝	18⅝	
B										
13⅝	3½	BMC				184	3⅞	3½	3⅞	+ ¼
25½	21¼	Balrnco	.60	2.3	12	88	25⅝	25½	25⅝	
18⅞	14⅝	BkrIntl	.92	6.1	12	2287	15¼	14⅞	15	+ ⅛
24⅛	19⅝	Baldor	.40	2.1	14	115	19½	19⅝	19½	
3½	⅞	vjBaldU				267	2⅛	2⅛	2½	
11⅛	2⅞	vjBldU pf				22	8½	8⅛	8⅛	— ¼
32	23	Ball s	.72	2.6	12	753	27⅝	27⅛	27½	— ¼
18⅝	13½	BallyMf	.20	1.1		2237	18⅝	17⅝	18⅝	+ ⅞
17½	9⅛	BallyPk			19	317	17⅛	16⅝	17⅛	+ ¾
25⅛	19⅛	BltGE s	1.70	6.7	9	990	25¾	24⅝	25¼	+ ⅝
25⅞	16	BncOn s	.80b	3.1	12	842x	26½	24⅝	26⅛	+1⅛
15⅞	8⅝	BncCtr n	.54e	3.8		165	14⅝	13⅝	14¼	+ ⅝
5⅝	1⅛	BanTex				1123	1¼	1⅛	1¼	
68¼	48⅝	Bandag	1.30	1.9	14	91	68½	68	68	— ¼
64⅝	41⅝	BkBos	2.64	4.3	7	410	61⅝	60¾	61⅝	+ ¾
54⅞	49¼	BkB pfA	4.48e	8.5		4	52⅝	52⅝	52⅝	+ ⅛
101¾	92½	BkB pfC	2.50	2.6		1450z	97½	97	97½	+ ½
54½	37⅛	BkNY	2.28	4.4	8	175	52⅛	51⅜	52⅛	+ ⅝
33¼	23⅛	BankVa	1.12	3.6	10	1024	31½	30⅝	31⅛	+ ⅝
22⅛	12	BnkAm				4372	12⅝	12½	12½	— ⅛
47	34½	BkAm pf	4.49e	12.5		22	36	35⅞	36	+ ⅛
16½	14⅛	BkAm pf	2.88			262	15⅝	15	15⅛	+ ⅛
32½	24	BkARty	2.40	8.6	13	33	28	27½	28	+ ⅛
39	29	BnkTr s				3363	36⅝	35⅝	36⅝	+ ⅞
27	22¼	BkTr pf	2.50	9.3		3	26¾	26½	26¾	+ ¼
18¼	10⅛	Banner	.03e	.2	14	177	17¼	16⅝	17	
44⅝	22⅝	Bard	.64	1.5	17	803	44	42	44	+1⅝
28	19¼	BarnGp	1.00	3.7	19	4	27⅛	27⅛	27⅛	— ¼
45	30½	Barnet s	1.04	2.4	11	809	43⅝	42⅝	43⅝	+ ⅜
28½	16⅝	BaryWr	.60	3.3	16	418	18⅛	17⅝	18⅛	+ ⅝
13⅝	6⅛	BASIX	.12	1.2	13	116	9⅞	9⅝	9⅝	
36⅛	24⅞	Bausch	.78	2.3	15	1443	34⅝	33⅝	34⅛	+ ½
16⅞	12⅝	BaxtTr	.37	2.3	67	3427	16	15⅞	16	
50⅝	47⅛	BxtT pfA	.43e	.9		398	49⅝	49¼	49⅝	
59⅝	50⅝	BxtT pfB	3.50	6.0		296	58½	58⅛	58⅛	
27⅛	20⅛	BayFin	.20	.8		89	25	24⅛	24⅛	— ⅛
37¼	27⅛	BayStG	2.72	7.5	12	20	36⅝	36⅛	36⅛	+ ⅜
28	19¼	BearSt n	.60	2.2		807	26⅝	26⅛	26⅝	
39⅛	31⅛	Bearing	1.00	2.7	14	4	36⅛	36⅛	36⅛	— ⅛
47⅝	28	BeatCo	1.80	4.0	11	19120	45⅝	44⅜	45½	+1⅛
68⅛	52½	Beat pf	3.38	4.0		100	84⅝	83½	83⅛	+2⅝
16½	12⅛	Becor	.20	1.4	76	403	14⅝	14⅛	14⅝	
72	43½	BectnD	.66	.9	16	1360	70⅛	69⅛	70	+ ¾
35⅝	21¾	BectD wt				7	35⅝	35⅛	35⅛	+ ⅛
7⅝	⅛	vjBeker				51	1⅛	1⅛	1⅛	
11	1⅞	vjBekr pf				9	3⅛	3⅛	3⅛	
20½	13½	BeldnH	.40	2.2	15	3	18⅛	18⅛	18½	
37⅝	25½	BelHwl	.42	1.8	12	1085	34½	33⅝	34⅛	+1⅛
37	25¾	BelHw pf	.67	2.0		2	33⅝	33⅝	33⅝	+1
110⅝	87	BellAtl	6.80	6.1	10	1421	112	110	111⅛	+1⅝
33	26⅛	BCE g	2.36			508	26⅝	26⅛	26¼	— ⅛
28½	17⅝	BellInd	.32	1.3	29	28	24⅝	24⅛	24⅛	
49⅝	33⅝	BellSou	3.04	6.2	10	4393	49⅝	48	48⅝	— ¼
37	44	BeloAH	.80	1.4	25	107x	58⅝	57⅝	58¼	— ⅛
45⅝	26½	Bemis	1.00	2.5	12	122	40⅝	39⅝	40¼	+ ⅛
52⅝	35	BenfCp	2.00	4.0	13	260	51	49⅝	50½	+ ⅜
41½	33	Benef pf	4.30	10.2		4	42	41½	42	+ ½
24⅝	19½	Benef pf	2.50	10.4		430z	24	24	24	
21	16¼	Beneat n	1.20	5.9		39	20⅛	20	20⅛	+ ⅛
6⅛	3⅛	BengtB				316	4⅝	4	4	— ⅛
9	4⅝	Berkey			3	225	6½	6⅛	6½	+ ¼
15⅝	11⅛	BestPd	.24	1.7	175	357	14⅝	13⅝	14	
21⅝	12½	BethStl				2434	17⅝	17½	17⅝	+ ⅜
49⅝	36¼	BethSt pf	5.00	11.1		126	45⅝	44⅝	45	+ ½
24⅝	18⅛	BethSt pf	2.50	11.1		159	22⅝	22	22½	+ ⅜
40⅝	31½	Beverly	.32	.9	16	6707	35½	35	35⅛	
22¼	18⅛	BevIP n				49	21⅝	21¼	21⅛	— ⅛
26⅛	20⅛	BigThr	.88	3.9	60	881	23⅛	22⅝	22⅝	— ½
16	8⅛	Blocff s			24	102	13⅝	13⅛	13½	
26⅝	17¼	BlockD	.64	2.9	18	2904	21⅝	21½	21⅝	
44⅝	26⅝	BlckHP	2.28	5.3	12	56x	42⅝	42⅝	42⅝	+ ⅛
27⅞	16½	BlairJn				1917	25⅝	25⅛	25⅛	+ ⅛
39⅝	23⅞	BlkHR s	1.36	3.4	9	1151	40⅛	39	39⅝	+ ⅝
53½	37¼	Boeing s	1.20	2.5	13	11683	48⅝	47½	48⅛	— ⅛
51	37¼	BoiseC	1.90	3.8	14	1298	49⅝	48⅝	49⅝	+1⅛
61	52½	BoiseC pf	5.00	8.3		95	60⅛	59⅝	60⅛	+ ⅜
37¼	23⅞	BoltBer	.10	.3	32	371	35⅝	35	35½	
54⅛	31⅝	Borden s	1.52	2.9	14	634	52⅝	52⅛	52½	— ⅛
35	19⅝	BorgWa	.96	3.7	13	2918	25⅝	24⅝	25⅝	+1
12½	5⅝	Bormns			8	183	12⅛	12⅛	12⅛	+ ⅛
47½	34¼	BosEd	3.44	7.4	9	232	46⅝	45⅝	46¼	— ⅛
87½	73¼	BosE pf	8.88	10.4		310z	86	85¼	85¼	— ⅛
12	9⅞	BosE pr	1.17	9.9		17	12	11⅞	11⅞	+ ⅛
15¼	12	BosE pr	1.46	9.6		42	15⅛	15⅛	15⅛	
26⅝	20¼	Bowatr	.72	2.7	12	375	26½	25⅝	26½	+ ⅜
31	25⅝	BrigSt	1.60	5.4	14	228	30	29⅝	29⅝	— ⅛
68⅛	53⅝	BristM	1.88	3.0	16	7270	63⅝	62⅝	63½	+1⅛
142	113	BrstM pf	2.00	1.5		1	132	132	132	+3⅛
4⅞	3⅝	BritLnd				15	4	3⅝	4	+ ⅛
35⅛	22⅛	BritPt	2.01e	6.4	7	166	31⅛	31½	31⅛	— ⅛
30⅛	22	BrtT2 pp	1.17e	4.5	12	8	26⅛	26⅛	26⅛	— ⅛
4	⅝	Brock				132	1⅛	1	1⅛	
29⅛	18⅛	Brckwy	1.32	4.7	13	342	28½	28⅛	28⅛	— ⅛
44⅝	35⅛	BkyUG	3.24	7.3	9	102	44⅝	44⅛	44⅝	+ ⅜
37⅛	30⅛	BkUG pf	3.95	11.5		15	34⅛	34	34⅛	+ ⅛
26⅛	19½	BwnSh	.20	.9	14	1	22	22	22	
36⅛	25	BrwnGp	1.44	4.2	18	201	34½	34	34⅛	
33⅝	20⅝	BrwnF s			21	1598	34⅝	32¼	34⅝	+2
49⅞	31	Brnswk	1.12	2.2	11	2219	51¼	49⅝	50⅝	+1⅛
40⅝	29⅛	BrshWl	.52	1.5	16	169	35	34⅝	34⅝	— ⅛
21¼	16⅛	Bundy	.80	4.4	61	10	18⅛	18⅛	18⅛	+ ⅛
20¼	17	BunkrH	2.16	10.9		9	19⅝	19⅝	19⅝	
21½	14⅝	BurlnCt			15	180	21¼	20½	20½	— ½
33¼	24¼	Burlind	1.44	4.8	59	522	34⅛	33	34⅛	+ ⅞
73	49⅛	BrlNth	1.60	2.2	9	1941	72⅝	71⅝	72⅝	+ ⅛
8	6⅝	BrlNo pf	.55	7.5		2x	7⅜	7⅜	7⅜	+ ⅛
52	48⅝	BrlN pf	4.92e	10.1		1082x	48⅝	48½	48⅝	
18	9⅝	Burndy			43	50	12	11⅞	12	+ ⅛
69	52	Burrgh	2.60	3.7	13	3538	69⅝	67½	69⅝	+2⅛
20⅛	11	Butlrln	.52	3.4	19	91	15½	15¼	15⅛	— ⅛
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BUSINESS/FINANCE

TUESDAY, FEBRUARY 4, 1986

Dow Index Rises 23.28 Points To Close at Record High. Page 8.

FUTURES AND OPTIONS

U.S. Losing Grain Markets To Host of New Exporters

Compiled by Our Staff From Dispatches

WASHINGTON — While the United States has failed to make a significant wheat sale to the Soviet Union since this past summer, Australia recently concluded its largest sale ever to Moscow. The Australian sale of 2.5 million metric tons was one of several factors that led the U.S. Agriculture Department to trim its estimate of 1985-86 wheat exports by a half million tons, to 26.7 million tons. At the same time, the government stuck by its forecast of 49.1 million tons of corn and other coarse grains.

"Ample competitor supplies and deferred purchases by major importers have resulted in lagging U.S. wheat exports," the Agriculture Department said in its monthly summary of export markets for U.S. grain.

The Russians have bought less than 250,000 tons of American wheat so far in the global marketing year that began in July, compared with 5 million tons as of January a year earlier.

U.S. farmers face stiff competition for export sales to the Soviet Union.

China is 1 million tons behind last season's purchases, and Bangladesh is 1.5 million tons behind last season.

U.S. wheat prices have been falling from highs established last year on the prospects of weaker export markets. On the Kansas City Board of Trade Monday, wheat for March delivery was being quoted at midsession at $3.14 a bushel, down 2 cents from the opening and 35 cents from its lifetime contract high. On the Chicago Board of Trade, the same delivery month was trading at $3.23¾ a bushel, down 3½ cents from the opening.

The new wheat transaction made the Soviet Union the most important market this year for Australia. As a result of large sales to Egypt and China, Australia was expected to export 15.5 million tons this season, marking its third consecutive year of record wheat exports.

The Australians have more high-quality wheat and less feed wheat in the 1985 crop than previously expected. Earlier reports indicated that wet weather had damaged the quality of ripe wheat, but extended dry weather minimized quality problems.

IN MORE EVIDENCE of tough competition for American wheat farmers, the Agriculture Department said Egypt, the largest market for American white wheat, recently signed an agreement with the Wheat Marketing Board of the Canadian province of Ontario, separate from Egypt's agreement with the Canadian Wheat Board.

The agreement with Ontario marks the first time since 1981 that the provincial marketing board has sold wheat to Egypt, although the board has sold wheat in previous years. Ottawa seems likely to extend credit for this wheat sale.

The European Community, providing even more keen competition, issued export licenses for 9.7 million tons of wheat and flour between last August and mid-January, which is 2.7 million tons more than granted in the like period in 1984-84, when exports set a record.

The Agriculture Department said it appears the Europeans are headed for a new record. However, another scenario has them issuing export licenses early to minimize export-subsidy costs as world prices decline in coming months.

Like the Australians, the Europeans have been selling heavily to the Russians. Although unconfirmed trade reports put the figure higher, European Community sales to Moscow have already reached a confirmed 5.5 million tons, compared with a record 6 million tons for all of 1984-85.

One of the few countries producing weaker competition than expected is Argentina, where a flood-damaged crop forced the country to rescind 25 percent of each exporting company's wheat-export registrations. Even with that, Argentina is still having trouble meeting commitments to destinations such as Brazil, which is expected to buy more from the United States.

Argentina's exports are currently forecast at 5.2 million tons, down dramatically from 9.4 million tons in 1984-85.

The American corn and coarse-grain export picture shows that

(Continued on Page 13, Col. 1)

Malaysia Reopens Tin Mart

Price Tumbles To $3.32/Pound

Reuters

KUALA LUMPUR, Malaysia — The price of tin tumbled to 18 ringgit a kilogram ($3.32 a pound) Monday when trading on the Kuala Lumpur tin market resumed after a three-month suspension.

Monday's price, at which only 36 metric tons were traded, was down 11.50 ringgit a kilogram (2.2 pounds) from the last-traded market price of 29.50 a kilogram on Oct. 24, when tin trading was suspended by the London Metal Exchange.

Brokers said the price and tonnage traded were low because buyers were still scarce and because most mine owners had agreed to not sell below 18.50 ringgit a kilogram. Trading will be limited to 150 tons a day.

The brokers said that Monday's opening price was consistent with current prices on the unofficial spot market, which has been in operation since November.

The Kuala Lumpur market closed Oct. 25, a day after tin-futures trading was suspended on the London Metal Exchange. The suspension followed an announcement by the International Tin Council that it had run out of cash to support sagging prices.

Officials of the International Tin Council met creditors in London on Friday to discuss how much each might contribute towards a rescue package to reactivate world tin trading. Another meeting is scheduled for Wednesday.

Progress on the package has been stalled, mainly over differences on how much those involved should pay towards the £270-million ($380-million) package.

The ITC proposes setting up a company to purchase its 85,000-ton stockpile, which would then be sold off slowly to avoid depressing prices.

The tin market has been hit hard by recession and dwindling use of tin by traditional consumers. The metal is being edged out of the canning market by aluminium, plastic and ever-thinner tin coatings on steel containers.

Malaysia's output, which had reached 75,000 tons in the early 1970s, slumped to 36,729 tons last year.

The Bank of Japan Becomes a Force

By Eric Hall
Reuters

TOKYO — The Bank of Japan under its governor, Satoshi Sumita, is being transformed into a much more aggressive and independent institution, creating a new force on the stage of world monetary affairs, Japanese and foreign bankers say.

"In the past, the bank tended to be a puppet of the Ministry of Finance. It's going out more on a limb under Sumita," a senior manager at a U.S. bank in Tokyo said.

The bank's new confidence is creating a more open view of the politics behind Japan's economic policies as Mr. Sumita fences with the powerful finance minister, Noboru Takeshita.

The result has been a certain friction between the bank and the Finance Ministry, highlighted by the fight over the cut in Japan's discount rate, the bankers said.

They believe that Mr. Takeshita, who has hopes of becoming the next prime minister, is pushing for lower rates to help the many export companies that are adversely affected by a rising yen. The business sector is a major supporter of his Liberal Democratic Party.

But Mr. Sumita, adopting something of the attitude of his U.S. counterpart, the Federal Reserve Board's chairman, Paul A. Volcker, toward the administration, refused to cut rates until the yen was high enough to absorb a cut. He also warned that monetary policy was relaxed enough.

The bankers said that Mr. Takeshita responded by talking down the dollar from 201 to 202

Reuters
Satoshi Sumita

yen to around 193-195. On Wednesday, the bank announced a cut in the discount rate to 4.5 percent from 5 percent, having made clear that the decision was a responsibility of the central bank, government pressure aside, the bankers said. The dollar continued its decline to about 191 to 193.

Mr. Sumita has also remained unbowed by Prime Minister Yasuhiro Nakasone.

Mr. Nakasone pressed for coordinated interest-rate cuts before the meeting of the Group of Five industrialized nations in London two weeks ago. But in his regular policy briefings with Mr. Nakasone, Mr. Sumita has stressed central bank autonomy, bank officials said.

Mr. Sumita has repeatedly said the bank's decisions would be made independently of other nations' monetary policy.

Japanese reporters close to Mr. Sumita believe he is accommodating some political considerations before of the seven-nation Tokyo summit meeting in May. When that is over, the bank's policies may become tighter, reflecting the views of its leader, bankers said.

The markets are looking more to the bank for alternative policy direction, just as in the United States and West Germany they look not only to the government but also to the Federal Reserve and Bundesbank.

However, some official foreign monetary sources introduced a note of caution into the overall market view of the bank, saying that Mr. Sumita's concern with Japan's monetary policy could be at the expense of future cooperation among central banks.

They said the previous governor, Haruo Maekawa, had taken a more exposed role and noted that while Mr. Maekawa had made a point of attending the regular central bank meetings in Basel, Switzerland, Mr. Sumita sends his deputy, Shijuro Ogata.

They also noted that Mr. Takeshita and his ministry are under more pressure from Mr. Nakasone, who is more prepared than former leaders to use his influence to push through economic policy.

Since Mr. Sumita took control of the bank in December 1984, he has gathered a group of competent, international-minded officers, the bankers said. One of these men told Western reporters recently that the bank must become a more positive force, guar-

(Continued on Page 13, Col. 5)

Oil Prices Drop With No Signs Of Cut in Output

By Bob Hagerry
International Herald Tribune

VIENNA — Oil prices plunged again Monday amid strong signs that major producers are not ready to cut production.

The price drop came as oil ministers from five members of the Organization of Petroleum Exporting Countries opened a meeting here. The five ministers, who planned to meet again Tuesday, were discussing what share of the world oil market OPEC's 13 members should seek to obtain.

Oil traders appeared skeptical that OPEC would soon come up with any price-supporting move. North Sea Brent crude, one of the most actively traded varieties, was quoted by Reuters late Monday at about $16.80 a barrel for March delivery, compared with $18.10 Friday. As recently as November, Brent briefly rose above $30.

In December, OPEC ministers acknowledged that they were unable to stay within their self-imposed output ceiling of 16 million barrels a day. The five-member committee was formed to determine what OPEC's "fair share" of the market ought to be.

Suggestions by OPEC members generally have ranged from 16 million to 18 million as an annual average. At present, OPEC output is estimated at 18 million barrels, or about 40 percent of demand in the non-Communist countries.

But the committee's recommendation will make little difference unless OPEC's more powerful members decide to restrain output, oil analysts say.

Saudi Arabia, by far OPEC's largest producer, is not represented at the Vienna meeting and has insisted that it will no longer accept major reductions in its production.

Sheikh Ahmed Zaki Yamani, the Saudi oil minister, was quoted in a Saudi newspaper Monday as saying that he saw no sign of an agreement between OPEC and major producers outside the cartel, such as Britain and Norway, to restrain output.

Sheikh Yamani also reiterated that he did not believe OPEC by itself could reduce its output enough to maintain prices.

Saudi Arabia has more than tripled its oil exports since hitting a 20-year low last summer. That rise has easily offset the sharp fall in revenue per barrel.

Most other OPEC members, however, have been unable to raise production enough to offset the price drop. Thus, several members, including Libya and Iran, have called for new restraints on OPEC output in an effort to push prices back up.

Oil ministers from Algeria and Iran flew to Libya Monday to discuss the situation, according to a Reuters report citing industry sources. The three countries long have pressed for Saudi Arabia to

(Continued on Page 13, Col. 5)

Latin Debtors To Study Fall Of Oil Prices

Reuters

CARACAS — The Cartagena group of 11 Latin American debtor countries will meet next Sunday or Monday in Washington to discuss the impact of falling oil prices, a spokesman for Venezuela's Foreign Ministry said Monday.

The meeting was called last week by President Miguel de la Madrid of Mexico and President Jaime Lusinchi of Venezuela after they met in Cancún, Mexico, to decide on joint measures to defend oil income.

The Cartagena talks will be held in Washington to take advantage of the presence there of eight Latin American foreign ministers. They are to meet next Monday with U.S. Secretary of State George P. Shultz on Central American peace efforts.

A new economic crisis emerging as a result of sliding oil prices led Mexico's secretary of industrial development, Héctor Hernández Cervantes, to warn over the weekend that Mexico could not pay all the interest on its foreign debt this year.

The 11-nation group, which was formed in Cartagena, Colombia, in June 1984, said at its December meeting in Montevideo that Latin debtors would take unilateral steps to halt capital outflows if creditors did not offer concessions on debt payments.

U.S. Factory Orders Surge by 2.7%

The Associated Press

WASHINGTON — Orders to U.S. factories surged 2.7 percent in December, the biggest monthly advance in more than a year, the government reported Monday.

For December, orders totaled $202.1 billion. The gain was the sharpest since a 4.4-percent increase in November 1984.

Without an enormous gain in civilian-aircraft orders, however, total orders would have fallen by 0.5 percent, the Commerce Department said.

Because the strength was concentrated in one volatile area, analysts discounted the overall increase, saying that it gave little indication of what course the economy would take.

The Commerce Department also reported Monday that construction spending rose 2.8 percent in December, the strongest gain since a 10-percent rise in January 1985. The gain was led by an 11-percent increase in construction of office buildings and a 7-percent increase in construction of multifamily housing units.

For the year, construction spending totaled $343 billion, a 9.6-percent increase from 1984.

Total factory orders climbed a slight 2.2 percent in 1985, an increase that did not keep up with inflation last year. In 1984, orders rose 10.6 percent, but U.S. manufacturers found themselves battered all last year by foreign competition.

The surge of 25.2 percent in orders for transportation equipment came from a doubling in orders for civilian aircraft.

Orders of nondefense capital goods rose a strong 18.6 percent in December. This category is closely watched for signals of industry plans to expand or modernize facilities. But analysts discounted that increase because it reflected primarily the jump in orders for aircraft.

Orders for all durable goods rose 4.3 percent.

Morton Thiokol, Maker of Shuttle's Booster, Faces Fallout From Disaster

By Steven Greenhouse
New York Times Service

CHICAGO — Of all the space shuttle contractors, the company now facing the closest scrutiny, and the one with possibly the most to lose in terms of profits, is Morton Thiokol Inc.

The Chicago-based company manufactures the twin solid rocket boosters that have been at the center of speculation about what caused the explosion of the Challenger and the death of its seven-member crew last Tuesday.

Morton Thiokol, which sells specialty chemicals and salt in addition to propulsion systems for the shuttle and strategic missiles, has been reeling since the disaster.

Its stock has lost one-sixth of its value, falling to $31.25 at week's end from $37.50 on Tuesday.

"The reason Morton Thiokol's stock has been more impacted in the stock market than some of the others is that the shuttle-related business is a more important part of their earnings than at the larger manufacturers," said Mary Schoenbrod, an analyst who follows Morton Thiokol for Duff & Phelps in Chicago.

The other big shuttle contractors are Rockwell International Corp., Martin Marietta Corp., Lockheed Corp., and Grumman Corp.

Charles S. Locke, Morton Thiokol's chairman and chief executive, declined to respond in detail to speculation that the solid rocket boosters might have been at fault.

In a telephone interview Sunday, Mr. Locke said company officials had noticed an unusual plume of flame coming from the lower section of the right booster before the National Aeronautics and Space Administration released photographs on Saturday night. He added, however, that "there were other anomalies" in other aspects of Challenger's takeoff.

Mr. Locke, who has been chairman and chief executive since 1980, said he had his own theory for what caused the explosion, but he declined to disclose it.

"They're really shell-shocked over there," said Martin S. Rober, an investment analyst who follows Morton Thiokol for Montgomery Securities in San Francisco. "The one thing they and the other shuttle contractors are doing is not speculating publicly on how it happened. They're doing their best to figure out what the problem was."

The shuttle program was so important to Morton Thiokol that the spacecraft, with the solid rocket boosters propelling it upward, is pictured on the cover of its 1985 annual report. The caption reads: "Twin Morton Thiokol solid propellant rocket propulsion motors have performed flawlessly for 19 space shuttle flights."

Mrs. Schoenbrod and other analysts said the company might be in trouble if the shuttle program was suspended for a long time pending results of the NASA investigation. But Mr. Locke said that even if there were a long suspension, "I don't think it's going to be anything like a major disaster for us." He noted that the shuttle was "by far our largest single program," but he added that "it represents only 20 percent of our profitability."

In its fiscal year ended June 30, 1985, Morton Thiokol earned a record $197.9 million on sales of $1.83 billion. Its aerospace division had operating income of $91.2 million, up 97 percent from two years earlier, on sales of $864.5 million, up 85 percent. Morton Thiokol sells solid propulsion rocket systems not only to the shuttle pro-

(Continued on Page 11, Col. 1)

Currency Rates

Cross Rates *Feb. 3*

	$	£	D.M.	F.F.	H.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.6995	3.749	112.955 *	36.865 *	0.1659 *	—	5.528 *	133.22 *	141.45 y
Brussels(a)	48.85	47.82	20.448	6.6720	3.0053 *	18.103	—	24.10	25.59 *
Frankfurt	2.3985	3.319	—	32.64 *	1.4695 x	88.54 *	4.883 *	117.92 *	1.2515 *
London (b)	1.3845	—	3.3265	10.195	2,261.50	3.7585	67.975	2.823	245.535
Milan	1,627.40	2,257.10	681.00	222.23	—	602.80	33.283	801.94	8.514
New York(c)	—	0.7285 ≡	2.3965	7.345	1,633.50	2.7095	49.07	2.033	191.30
Paris	7.318	10.165	3.064	—	4.5015 x	2.7137	14.99 *	3.611	3.8348 *
Tokyo	190.35	267.16	80.08	26.15	11.74 *	70.87	391.10 *	94.56	—
Zurich	2.0330	2.8259	84.91 *	27.725 *	0.1247 *	75.165 *	4.1493 *	—	1.0643 *
1 ECU	0.9048	0.6514	2.1635	6.6279	1,472.62	2.4435	44.2374	1.8341	172.733
1 SDR	1.11089	0.79992	2.6551	8.12803	1,807.59	2.9983	54.2572	2.2514	211.475

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available. (≡) To buy one pound: $U.S.1.388

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.80	Fin. markka	5.349	Mex. peso	442.00	Soviet ruble	0.7455
Austral. $	1.4073	Greek drac.	146.14	Norw. krone	7.468	Span. peseta	150.25
Austr. schil.	16.80	Hong Kong $	7.8055	Phil. peso	18.65	Swed. krona	7.5355
Belg. fin. fr.	49.15	Indian rupee	12.3457	Port. escudo	155.50	Taiwan $	39.30
Brazil cruz.	12,095.06	Indo. rupiah	1,127.00	Saudi riyal	3.651	Thai baht	26.505
Canadian $	1.4313	Irish £	0.7883	Sing. $	2.134	Turkish lira	582.60
Chinese yuan	3.2015	Israeli shek.	1.484	S. Afr. rand	2.2805	UAE dirham	3.673
Danish krone	8.81	Kuwaiti dinar	0.2867	S. Kor. won	889.06	Venez. boliv.	17.36
Egypt. pound	1.34	Malay. ring.	2.4645				

£ Sterling: 1.8963 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Gosbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits *Feb. 3*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	7 [illegible]-8 [illegible]	4 [illegible]-4 [illegible]	4 [illegible]-4 [illegible]	12⅝-12¾	16-17	10¾-10⅞	8¼
2 months	7 [illegible]-8 [illegible]	4 [illegible]-4 [illegible]	4 [illegible]-4 [illegible]	12 [illegible]-12 [illegible]	16¾-17¾	10½-10¾	8⅛
3 months	7 [illegible]-8 [illegible]	4 [illegible]-4 [illegible]	4 [illegible]-4 [illegible]	12⅜-12⅝	16¼-17¼	10¼-10½	8⅛
6 months	7 [illegible]-8 [illegible]	4 [illegible]-4 [illegible]	4 [illegible]-4 [illegible]	12⅜-12⅝	14¼-14¾	9 [illegible]-10 [illegible]	8⅛
1 year	8⅛-8¼	4⅝-4¾	4½-4⅝	12⅝-12¾	12⅞-13⅛	9¾-9½	8 [illegible]

Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates *Feb. 3*

United States	Close	Prev.
Discount Rate	7½	7½
Federal Funds	7 15/16	8¼
Prime Rate	9½	9½
Broker Loan Rate	9	9
Com Paper 30-179 days	7.65	7.70
3-month Treasury Bills	6.98	6.95
6-month Treasury Bills	7.03	7.04
CD's 30-59 days	7.39	7.39
CD's 60-89 days	7.50	7.42
West Germany		
Lombard Rate	5.50	5.50
Overnight Rate	4.40	4.35
One Month Interbank	4.40	4.65
3-month Interbank	4.60	4.65
6-month Interbank	4.65	4.70
France		
Intervention Rate	8¾	8¾
Call Money	9	9
One-month Interbank	8⅞	8⅞
3-month Interbank	8⅞	8⅞
6-month Interbank	8 15/16	8 15/16
Britain		
Bank Base Rate	12½	12½
Call Money	12½	12¾
91-day Treasury Bill	12½	12¼
3-month Interbank	12 11/16	12 9/32
Japan		
Discount Rate	4½	4½
Call Money	5 13/16	6
60-day Interbank	6	6

Sources: Reuters, Commerzbank, Crédit Lyonnais, Bank of Tokyo.

Asian Dollar Deposits *Feb. 3*

1 month	7 [illegible] - 8 [illegible]
2 months	7 [illegible] - 8 [illegible]
3 months	7 [illegible] - 8 [illegible]
6 months	8 - 8⅛
1 year	8⅛ - 8¼

Source: Reuters.

U.S. Money Market Funds *Feb. 3*

Merrill Lynch Ready Assets 30 day average yield:	7.15
Telerate Interest Rate Index:	7.468

Source: Merrill Lynch, Telerate.

Gold

Feb. 3

	A.M.	P.M.	Ch'ge
Hong Kong	348.85	347.50	— 6.05
Luxembourg	347.60	—	— 6.10
Paris (12.5 kilo)	348.22	347.67	— 8.33
Zurich	347.85	347.55	— 3.325
London	347.35	347.30	— 3.20
New York	—	343.70	— 5.10

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York Comex current contract. All prices in U.S.$ per ounce.

Source: Reuters.

GM Reports 36.8% Increase in Profit

Reuters

DETROIT — General Motors Corp. reported Monday that net income for the fourth quarter of 1985 was $1.2 billion, a 36.8-percent increase from $877 million a year earlier.

Sales in the fourth quarter amounted to $24.6 billion, an increase of 17.7 percent from $20.9 billion during the same quarter of 1984. Per-share earnings for the quarter were $3.85, compared with $2.76.

For the year, the company reported income of $3.99 billion, or $12.28 a share, down 11.5 percent from $4.51 billion, or $14.27, and revenues of $96.37 billion, compared with $83.89 billion.

GM said its earnings for 1985 were aided by increased volume and improved operating performance. Worldwide factory sales of cars and trucks to GM dealers rose 13 percent to 9.3 million units for the year.

The company said it expected that the U.S. auto industry would be "nearly as strong" as its 1985 performance and estimated that it could generate sales of 15 million vehicles in 1986. But, it said, "Much depends on how effectively the U.S. government fulfills its responsibility of creating an environment conducive to a strong, healthy economy."

The fourth-quarter results were higher than most Wall Street analysts had estimated. Most estimates for fourth-quarter net income ranged from $3.05 a share to $3.65 a share.

Analysts said lower health-care costs at GM's Electronic Data Systems or lower costs associated with a general revamping of operations may have accounted for the difference between estimated and actual earnings. Joe Phillippi, analyst with E.F. Hutton Group Inc., said, "They could have saved $100 million, or 30 cents a share," he said.

GM's results "may make everybody sit down and reassess 1986 in terms of increasing their earnings estimates," said Richard Henderson, an analyst with Pershing & Co.

Ann Knight at Paine Webber Group Inc. said GM's fourth-quarter capital spending was "enormous." "They may have generated more investment tax credits than we thought," she said.

Mr. Henderson said GM's high capital expenditures caused analysts to reduce their earnings estimates on the company. But he added, "Nobody really knows how much GM is expending on this stuff."

The high spending level includes money needed to integrate GM's recent acquisition of Electronic Data Systems and Hughes Aircraft Co.

General Motors earlier said it expected its 1986 capital spending to be about $10 billion, up from $9.17 billion in 1985 and $6.04 billion in 1984.

Britain Says GM Seeks to Buy BL's Land Rover, Trucks Unit

Compiled by Our Staff From Dispatches

LONDON — General Motors Corp. is negotiating to buy the commercial vehicles division of state-owned BL PLC, which makes the Land Rover and Range Rover, the British government announced Monday.

The secretary for trade and industry, Paul Channon, said in the House of Commons that negotiations were "at an advanced stage, but a number of important issues remain to be settled."

He said GM was discussing buying Leyland Trucks, Land Rover, Freight Rover and "certain related overseas operations."

He gave no figures, but John Smith, a member of Parliament from the opposition Labor Party, asserted that the price under discussion was $443 million.

Mr. Channon said separate talks were being held with Laird Group PLC, a British transportation concern, over BL's bus division, and "wide-ranging" discussions with other companies were under way over the car division, Austin Rover. Honda Motor Co. already has an interest in Austin Rover.

Mr. Channon informed Parliament about the talks after Roy Hattersley, deputy leader of the Labor Party, accused the Conservative government of Prime Minister Margaret Thatcher of negotiating secretly to sell BL into foreign hands.

Published reports that talks with GM were under way had surfaced as early as last November.

BL, fighting to recover from a history of financial losses and poor labor relations, is to be sold under the government's program to return to the private sector assets nationalized by previous Labor administrations.

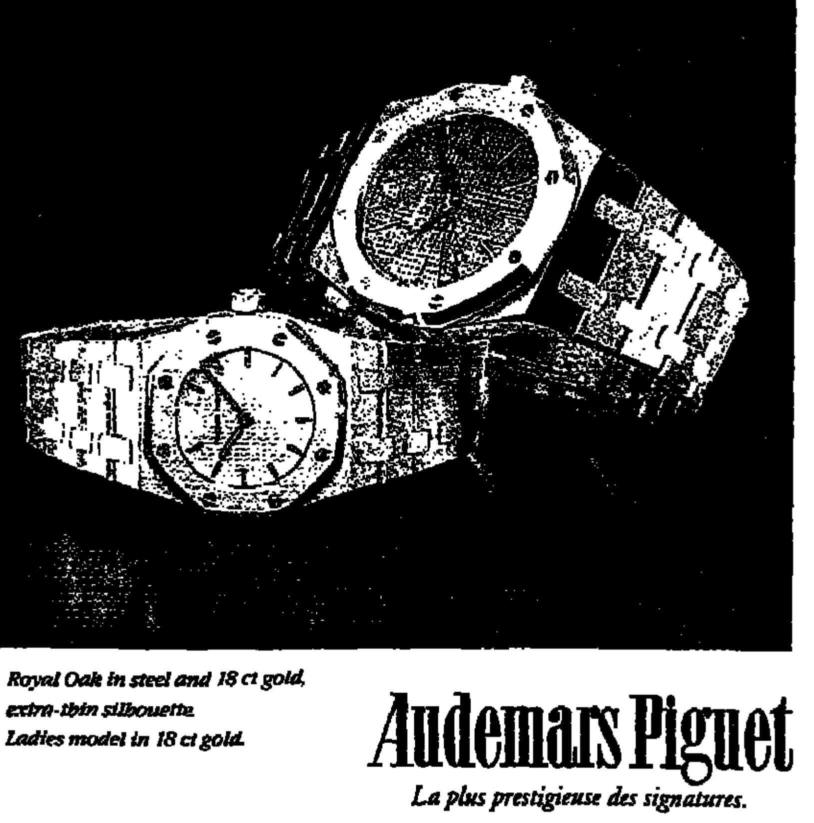
BL reported a pretax loss of £42.6 million ($59.1 million at current exchange rates) for the six months ended June 30, 1985, on sales of £1.68 billion.

The sale of the BL division to GM would give U.S. auto companies a stake in all three major British vehicle manufacturers. After Austin Rover, Britain's leading automakers are the British subsidiary of Ford, and Vauxhall, a GM subsidiary.

GM also has a British truck-making unit, Bedford.

(AP, UPI)

THE ROYAL OAK.
NOTHING CAN EQUAL
THE ORIGINAL.



Royal Oak in steel and 18 ct gold, extra-thin silhouette. Ladies model in 18 ct gold.

Audemars Piguet

La plus prestigieuse des signatures.

Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued from Page 8)

U.S. Futures

Via The Associated Press

Feb. 3

Grains

Livestock

Food

Metals

Financial

Industrials

Stock Indexes

Commodity Indexes

	Close	Previous
Moody's	968.10 f	971.30 f
Reuters	N.A.	—
D.J. Futures	127.21	128.93
Com. Research Bureau	216.60	219.90

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

Currency Options

Feb. 3

PHILADELPHIA EXCHANGE

Total call vol. 7,726 Call open int. 216,428
Total put vol. 5,582 Put open int. 184,188
r—Not traded. s—No option offered.
Last is premium (purchase price).
Source: AP.

New Model of Yugo Car To Be Exported to U.S.

Compiled by Our Staff From Dispatches

NEW ORLEANS — Yugo of America will begin importing a sporty version of its small car in June as a companion to its basic GV model, the least expensive new car in the United States at $3,990.

Yugo's president, William Prior, whose company began imports from the Crvena Zastava factory in Yugoslavia last August, made the announcement at a convention in New Orleans. The company said the new Yugo GVS would have a suggested base price of under $4,800.

Yugo plans to import 40,000 cars in this model year, with a target of 75,000 in 1987.

In Belgrade, the newspaper Ekspres Nedeljna Revija reported that 33 Yugoslav banks had set up a consortium to provide $200 million for expansion of the Crvena Zastava plant. Production of the Yugo is to rise to 350,000 by 1990, from a projected output of 160,000 this year, the report said. *(Reuters, AP)*

NYSE Highs-Lows

NEW HIGHS 332

NEW LOWS 20

AmShipB, EquitRes, LearPetrl, PhilPtr pf, Tidewatr, Amoco, HithcreUSA, NobleAfil, PSind 42pf, TowleMfg, BurlNo adj p, IntMinCh, Occi 216pf, PSind 852pf, TrnCdaPipe n, Carling g, LL&E Roylty, ParkrDrill, TexAmBach, Wainoco

Dividends

Feb. 3

Company	Per	Amt	Pay	Rec
INCREASED				
Lee Enterprises	Q	.29	4-1	3-14
St Joseph Bancorp	Q	.18	3-14	2-28
USUAL				
Beverly Enterprises	Q	.10	4-14	3-31
Central Jersey Bncp	Q	.35	4-1	3-12
Electrospace Sys.	Q	.02	2-25	2-14
Lear Siegler Inc	Q	.50	3-3	2-10
Mark Controls Corp	Q	.08	3-31	3-17
Rollins Inc	Q	.11½	3-10	2-10

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

U.S. Treasuries

Feb. 3

Discount	Offer	Bid	Yield	Prev. Yield
3-month bill	6.99	6.98	7.21	7.20
6-month bill	7.05	7.03	7.40	7.41
1-year bill	7.06	7.04	7.53	7.56

	Bid	Offer	Yield	Prev. Yield
30-yr. bond	106 6/32	106 8/32	9.26	9.33

Source: Salomon Brothers.

Merrill Lynch Treasury index: 111.89
Change for the day: + 0.35
Average yield: 8.66 %

Source: Merrill Lynch.

London Metals

Feb. 3

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM Sterling per metric ton				
Spot	791.00	792.00	787.50	788.50
Forward	821.00	822.00	816.00	816.50
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1002.00	1003.00	1008.00	1009.00
Forward	1033.00	1033.50	1037.50	1038.00
COPPER CATHODES (Standard) Sterling per metric ton				
Spot	985.00	990.00	992.00	996.00
Forward	1020.00	1022.00	1025.00	1028.00
LEAD Sterling per metric ton				
Spot	257.50	258.00	261.00	262.00
Forward	270.00	271.00	273.00	274.00
NICKEL Sterling per metric ton				
Spot	2795.00	2805.00	2795.00	2805.00
Forward	2868.00	2875.00	2860.00	2870.00
SILVER Pence per troy ounce				
Spot	432.50	433.50	427.00	428.00
Forward	446.00	448.00	440.50	441.50
ZINC Sterling per metric ton				
Spot	430.00	440.00	430.00	440.00

Source: AP.

Asian Commodities

Feb. 3

SINGAPORE GOLD FUTURES
U.S.$ per ounce

	High	Low	Settle	Prev. Settle
Feb	N.T.	N.T.	347.60	354.20
Mar	N.T.	N.T.	349.50	356.50
Apl	350.90	350.90	351.70	358.50

Volume: 50 lots of 100 oz.

KUALA LUMPUR RUBBER
Malaysian cents per kilo

	Close Bid	Ask	Previous Bid	Ask
Mar	187.50	188.50	187.00	188.00
Apl	190.00	191.00	189.50	190.50
May	192.00	193.00	191.50	192.50
Jun	194.50	195.50	194.00	195.00

Volume: 0 lots.

SINGAPORE RUBBER
Singapore cents per kilo

	Close Bid	Ask	Previous Bid	Ask
RSS 1 Mar	162.25	162.75	161.00	161.50
RSS 2 Apl	165.50	166.00	New	—
RSS 2 Mar	158.00	159.00	New	—
RSS 3 Mar	156.00	157.00	New	—
RSS 4 Mar	152.00	154.00	New	—
RSS 5 Mar	147.80	149.00	New	—

KUALA LUMPUR PALM OIL
Malaysian ringgits per 25 tons

	Close Bid	Ask	Previous Bid	Ask
Feb	575	615	590	620
Mar	615	630	621	622
Apl	625	645	636	638
May	633	650	635	645
Jun	640	665	640	665
Jly	640	680	640	680
Sep	630	670	630	670
Nov	630	670	630	670
Jan	620	660	620	660

Volume: 1 lots of 25 tons.

Source: Reuters.

Paris Commodities

Feb. 3

	High	Low	Close Bid	Ask	Ch'ge
SUGAR French francs per metric ton					
Mar	1,350	1,315	1,336	1,337	+ 34
May	1,385	1,355	1,370	1,371	+ 37
Aug	1,427	1,400	1,405	1,411	+ 25
Oct	1,463	1,445	1,442	1,453	+ 27
Dec	N.T.	N.T.	1,472	1,485	+ 21
Mar	1,552	1,535	1,540	1,549	+ 30

Est. vol.: 1,950 lots of 50 tons. Prev. actual sales: 1,928 lots. Open interest: 33,320

	High	Low	Close Bid	Ask	Ch'ge
COCOA French francs per 100 kg					
Mar	N.T.	N.T.	1,730	1,745	— 13
May	1,758	1,758	1,755	1,765	— 20
Jly	N.T.	N.T.	1,765	—	— 15
Sep	N.T.	N.T.	1,775	—	— 25
Dec	N.T.	N.T.	1,785	—	— 23
Mar	N.T.	N.T.	1,795	—	— 35
May	N.T.	N.T.	1,805	—	— 35

Est. vol.: 20 lots of 10 tons. Prev. actual sales: 10 lots. Open interest: 242

	High	Low	Close Bid	Ask	Ch'ge
COFFEE French francs per 100 kg					
Mar	2,360	2,270	2,295	2,298	— 69
May	N.T.	N.T.	—	2,368	— 75
Jly	N.T.	N.T.	—	2,440	— 55
Sep	2,529	2,470	2,470	2,475	— 51
Nov	N.T.	N.T.	—	2,540	— 40
Jan	N.T.	N.T.	—	2,550	— 50
Mar	N.T.	N.T.	—	2,575	New

Est. vol.: 107 lots of 5 tons. Prev. actual sales: 151 lots. Open interest: 940

Source: Bourse du Commerce.

London Commodities

Feb. 3

	High	Low	Close Bid	Ask	Previous Bid	Ask
SUGAR Sterling per metric ton						
Mar	158.20	151.80	152.80	153.20	153.40	154.00
May	167.20	160.20	161.00	161.20	162.60	163.00
Aug	173.80	168.00	168.00	169.00	n.a.	169.00
Oct	178.60	175.20	173.00	173.60	174.60	175.00

Volume: 2,181 lots of 50 tons.

	High	Low	Close Bid	Ask	Previous Bid	Ask
COCOA Sterling per metric ton						
Mar	1,753	1,746	1,752	1,755	1,739	1,740
May	1,748	1,740	1,741	1,742	1,734	1,735
Jly	1,770	1,761	1,764	1,765	1,756	1,757
Sep	1,795	1,786	1,792	1,794	1,782	1,783
Dec	1,818	1,808	1,815	1,817	1,802	1,803
Mar	1,843	1,833	1,836	1,837	1,824	1,825
May	N.T.	N.T.	1,850	1,857	1,836	1,840

Volume: 1,465 lots of 10 tons.

	High	Low	Close Bid	Ask	Previous Bid	Ask
COFFEE Sterling per metric ton						
Mar	2,325	2,220	2,225	2,235	2,225	2,230
May	2,360	2,270	2,270	2,275	2,295	2,300
Jly	2,430	2,332	2,340	2,345	2,355	2,370
Sep	2,481	2,415	2,415	2,420	2,412	2,414
Nov	2,520	2,465	2,460	2,465	2,455	2,460
Jan	2,575	2,575	2,480	2,520	2,475	2,540
Mar	N.T.	N.T.	2,480	2,580	New	—

Volume: 2,541 lots of 5 tons.

	High	Low	Close Bid	Ask	Previous Bid	Ask
GASOIL U.S. dollars per metric ton						
Feb	190.25	181.00	181.25	181.50	192.50	193.00
Mar	175.00	164.25	164.25	164.50	170.50	170.75
Apl	167.75	158.75	159.00	159.50	171.00	171.25
May	163.00	154.50	154.50	155.00	166.75	167.25
Jun	163.50	153.00	153.00	153.50	165.25	166.00
Jly	163.00	153.75	154.00	154.50	165.25	166.00
Aug	164.50	155.00	155.00	156.00	165.75	166.00
Sep	165.00	159.00	155.00	167.00	161.25	177.00
Oct	165.00	165.00	155.00	165.00	160.00	174.00

Volume: 5,058 lots of 100 tons.

	High	Low	Close Bid	Ask	Previous Bid	Ask
CRUDE OIL (BRENT) U.S. dollars per barrel						
Mar	17.60	16.80	16.40	16.80	18.00	18.30
Apl	17.00	17.00	16.40	16.80	18.00	18.50
May	17.50	16.50	16.40	17.00	18.00	18.50
Jun	N.T.	N.T.	16.20	17.20	18.00	18.50
Jly	N.T.	N.T.	16.20	17.20	18.00	18.50
Aug	N.T.	N.T.	16.20	17.20	18.00	18.50

Volume: 14 lots of 1,000 barrels.

Sources: Reuters and London Petroleum Exchange (gasoil, crude oil).

S&P 100 Index Options

Feb. 3

Source: CBOE.

Cash Prices

Feb. 3

Commodity and Unit	Mon	Year Ago
Coffee 4 Santos, lb.	2.38	1.44
Printcloth 64/30 38 ½, yd	0.67	0.74½
Steel billets (Pitt.), ton	473.00	473.00
Iron 2 Fdry. Phila., ton	213.00	213.00
Steel scrap No 1 hvy Pitt.	71-72	79-80
Lead Spot, lb	18-19	20-21
Copper elect., lb	71½	67-70
Tin (Straits), lb	n.a.	
Zinc, E. St. L. Basis, lb	0.35	0.42
Palladium, oz	105-107	129-130
Silver N.Y., oz	6.025	n.a.

Source: AP.

DM Futures Options

W. German Mark-125,000 marks, cents per mark

Feb. 3

Strike Price	Calls-Settle Mar	Jun	Sep	Puts-Settle Mar	Jun	Sep
40	1.90	2.52	3.02	0.02	0.37	0.57
41	1.07	1.84	2.36	0.24	0.67	0.86
42	0.50	1.22	1.80	0.66	1.04	1.26
43	0.20	0.81	1.33	1.35	1.58	1.75
44	0.06	0.50	0.95	2.20	2.25	2.32
45	—	0.30	0.69	—	—	—

Estimated total vol. 12,830
Calls: Fri. vol. 4,117 open int. 42,784
Puts: Fri. vol. 4,442 open int. 55,881
Source: CME.

Montedison Calls Meeting

Reuters

MILAN — Montedison SpA said Monday that it has called an extraordinary shareholders meeting for May 1 to approve a planned capital increase of 551 billion lire (about $339 million). The proposed increase, announced at a board meeting at the end of last month, will raise the group's capital base by nearly half, to 1,661 billion lire.

Sales of Swiss Chocolate Rise

Reuters

BERN — Volume sales of Swiss chocolate makers grew 0.6 percent to 82,563 tons last year, raising earnings 4.7 percent to 971 million Swiss francs ($479.8 million), the industry association said Monday. There was a 0.6-percent fall in domestic sales to 59,116 tons, it said. Exports, however, increased 3.8 percent.

صكتا من الاصل

Krupp Proposes Talks On Saarstahl Rescue

Reuters

DUSSELDORF, West Germany — Fried. Krupp GmbH's managing board chairman has written to Saarland's premier, Oskar Lafontaine, proposing talks about the future of Arbed Saarstahl GmbH, the financially troubled steelmaker, a Krupp spokesman said Monday.

The talks would be aimed at establishing whether Krupp and two other major Ruhr steelmakers might be interested in taking a stake in Saarstahl, which is owned by Luxembourg's Arbed SA, the spokesman said. The two other Ruhr companies are Thyssen AG and Klöckner-Werke AG.

Mr. Lafontaine has yet to respond to the letter, written in mid-January by Wilhelm Scheider of Krupp, he said.

The three companies have so far not been involved in a rescue plan for Saarstahl, for which Mr. Lafontaine is trying to win support from banks, the Bonn government and unions. On Friday, Mr. Lafontaine threatened to put Saarstahl, whose work force of 13,000 makes it the second-largest employer in Saarland, into bankruptcy if Bonn and the banks did not fulfill a pledge to renounce debts that Saarstahl owes them.

The Krupp spokesman said the three companies' taking an interest in Saarstahl was conditional on agreement by Dillinger Hüttenwerke, a French-owned Saarland steelmaker. Under Mr. Lafontaine's plan, Dillinger would take management control of Saarstahl after the Bonn and Saarland governments had bought back a 76-percent interest from Arbed.

Thyssen Stahl AG's managing board chairman, Heinz Kriwet, has said his company was not prepared to put any money into Saarstahl if it were to take an interest, and industry sources said the same applied to Krupp and Klöckner.

The Krupp spokesman declined to give further details of Mr. Scheider's letter.

Sources said preconditions for involvement with Saarstahl included clearance of much of its debt and union agreement to cut jobs.

The sources said one of the three companies' aims in taking a stake would be to put an end to Saarstahl's low pricing for light steel sections.

Arab Bank's Net Fell Last Year

Reuters

MANAMA, Bahrain — Arab Banking Corp. said Monday that its net profit fell in 1985 to $109 million from $110 million in 1984.

The figure of $109 million is after provisions for possible loan losses of $61 million in 1985 against $45 million in 1984, according to the bank, which is owned by Libya, Kuwait and Abu Dhabi.

The bank, which acquired a 75-percent stake in May in Hong Kong's Sun Hung Kai Bank Ltd., said its assets grew 18.2 percent to $13.07 billion from $11.06 billion at the end of 1984. Loans grew to $5.1 billion from $4.65 billion a year earlier, while deposits grew to $10.28 billion from $8.78 billion.

Modified Bid Is Approved By Beatrice

United Press International

CHICAGO — Beatrice Cos., the food and consumer products giant, has approved a modified $6.1-billion takeover offer by the New York investment banking firm of Kohlberg, Kravis, Roberts & Co.

Beatrice said the transaction was expected to be closed by the end of April.

Under the new agreement, approved Sunday by the Beatrice board of directors, Kohlberg, Kravis would pay $40 a share in cash and $10 in preferred stock. The annual dividend on the preferred stock would be 15.25 percent, payable quarterly.

The companies also announced that the severance pay agreements involving the six top Beatrice officials were reduced to less than $20 million from nearly $23 million.

When a definitive merger agreement was announced Nov. 14, Beatrice, whose products include Tropicana Orange Juice and Avis Rent-A-Car, said the offer was worth $43 a share in cash and $7 a share in a new stock of the company organized to acquire Beatrice.

Last month, Beatrice said the cash portion of the Kohlberg, Kravis offer had been reduced to $40 a share and the preferred stock portion was increased to $10. The dividend on the preferred stock would have been 14 percent, also payable quarterly.

It was reported that Kohlberg, Kravis reduced the offer after finding hundreds of millions of dollars in tax liability when examining Beatrice's books.

Foreign Firms Plan Investment in Spain

Reuters

MADRID — Foreign companies are planning major investments in Spain's food industry, focusing on the frozen-food sector, according to industry sources.

"There is no doubt that the vast majority of projects submitted last month under an EC subsidy plan came from foreign firms," Carlos Guerrero, an industry analyst, said in an interview.

After Spain joined the European Community on Jan. 1, the government invited investment projects in the industry that get a maximum 50-percent subsidy from the EC's agricultural regulatory agency and the government.

The government is calling for projects worth 40 billion pesetas ($268 million). Applications have been mainly in frozen foods.

"This is where foreigners have been making the biggest outlays," Mr. Guerrero said. Sociedad Nestlé AEPA, a Nestlé SA subsidiary, accounts for 20 percent of the frozen-food industry's yearly sales of 25 billion pesetas.

A senior official of the Industry Ministry called the food industry a "sector where multinational holdings could reach dangerous levels."

Miguel Boyer Salvador, chairman of the export financing bank, Banco Exterior de España, said last year that the government did not oppose rising foreign ownership in this sector. "The important thing is to produce profits," he said.

With one exception there has been no official move against foreign takeovers in the food industry. The government blocked the sale last year of an olive oil producer, Carbonell y Cía. de Córdoba SA, to Lesieur SA of France by declaring edible oils a strategic industry.

The Agriculture Ministry's director-general for food industries, Vicente Albero, said foreign companies accounted for about half of the Spanish food industry's yearly sales of 3,800 million pesetas.

"This in itself is not alarming, compared with other sectors like cars, where foreign ownership is almost 100 percent," he said. But, he said, "Our industry was unprepared to confront competition from international majors with bigger capital resources and greater marketing experience."

AMC Says It Hopes To Break Even

Reuters

NEW ORLEANS — American Motors Corp.'s chief operating officer said Monday that AMC hoped to break even in 1986 after extensive cost-cutting measures.

AMC, which is 46-percent owned by Renault, France's government-owned auto company, had losses of more than $118 million in the nine-month period ending in September 1985. AMC reported losses of more than $600 million from 1980 to 1983.

Joseph Cappy, the chief operating officer, said AMC believed that 25-percent reductions in labor costs ordered last year and wage concessions from its U.S. car workers would help improve AMC's results this year.

Thiokol Faces Shuttle Fallout

(Continued from Page 9)

gram, but also to the Defense Department for Trident missiles, MX missiles, and new small intercontinental ballistic missiles.

Mrs. Schoenbrod said the shuttle represented almost 40 percent of Morton Thiokol's aerospace revenues and almost 40 percent of that division's operating profits.

Mr. Locke said the "scale-back" in the number of shuttle flights that was anticipated as a result of the Challenger explosion would have a negative impact on the company.

"If there are fundamental design problems that have to be corrected in the boosters, of course we want to be involved in doing that," Mr. Locke said. He said that if the space agency were to choose another company to make the solid rocket boosters, it would take four years before the other company could deliver them.

In July 1982, Morton-Norwich Products Inc., famous for Morton salt, agreed to acquire Thiokol Corp., a producer of propulsion systems based in Newtown, Pennsylvania. Analysts said the marriage made sense for Morton because the two companies focused on specialty chemicals and because Thiokol's revenues were about to mushroom with the expansion of the shuttle program.

A month before that, Morton-Norwich sold its Norwich pharmaceuticals division to Procter & Gamble Co. for $371 million.

As the shuttle program was growing, some company officials and analysts expressed concern that Morton Thiokol would be skewed too heavily in favor of aerospace.

"They have been making a lot of acquisitions in the specialty chemicals area," Mrs. Schoenbrod said. "They don't want the aerospace side to overshadow everything. You never know what could happen. Just look at what happened this past week."

COMPANY NOTES

BICC PLC will make no contributions to the group's pension fund for two years and has agreed on improved pension benefits for both pensioners and current employees. The decision is expected to add about £10 million ($14 million) a year to pretax profits.

British Aerospace PLC said it had won a contract with Aero West Inc. to supply three 146-100 aircraft, valued at $50 million. Aero West plans to use the aircraft to start services to Las Vegas from a number of cities in the western United States.

PT Fairchild Semiconductor Indonesia, a subsidiary of Schlumberger Ltd., will close its Jakarta plant by July because of the world recession in the microchip industry.

Hanson Trust PLC plans to list its shares on the New York Stock Exchange in the form of American depositary receipts. Hanson said the listing plan reflected the increasing size of its U.S. investments.

Kaypro Corp., a California computer company, said it was consolidating its product line and eliminating several models to streamline ordering, production and shipping.

LTV Corp. said it had reached an interim agreement with the United Steelworkers of America under which wage and cost-of-living increases that were scheduled to take effect Feb. 1 will not be paid before negotiations on a new labor agreement are concluded.

MAN AG of West Germany has signed an agreement with General Motors Corp. covering development, production and marketing of heavy trucks for the U.S. armed forces. A spokesman said the vehicles were expected to be a modified version of trucks in use by the West German armed forces.

C. Olivetti SpA of Italy said it and Microage Inc. of the United States would develop a chain of personal computer shops in Western Europe. The new company, Microage Europe, plans to open 27 stores this year in Britain, West Germany, France and Italy, under franchise agreements.

San Diego Gas & Electric Co. said a recent California Public Utilities Commission ruling on the costs of importing energy could cause it to take $210 million in write-offs over the next six years.

Summit Sekiyu Kaihatsu Co., affiliated with Japan's Sumitomo Petroleum Development Co., has taken over Britoil Ltd., a North Sea oil drilling company, to start crude oil development in the North Sea. Summit Sekiyu will be the first Japanese company to start direct oil development in the North Sea.

Union Bank of Switzerland hopes to receive approval from the Japanese authorities to open a share-dealing subsidiary in Tokyo without outside foreign partners.

Yuken Kogyo Co., a major Japanese maker of hydraulic machinery, said it would soon start production in Liverpool. The plant will produce an annual 10,000 units of solenoids, which regulate oil flow.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

France

Generale Occidentale

1st Half	1985	1984
Profits	155.67	134.75

United States

Alco Standard

	1985	1984
1st Quar.		
Revenue	1,020.1	901.3
Oper Net	14.6	14.4
Oper Share	0.64	0.75

1985 net excludes loss of $347,000 from discontinued operations.

Amax

4th Quar.	1985	1984
Revenue	n.a.	542.8
Net Loss	103.0	297.0
Year	1985	1984
Revenue	n.a.	2,408.
Net Loss	631.0	338.3

1985 nets include charges of $90 million and gain of $45 million.

Chubb

4th Quar.	1985	1984
Oper Net	(a)52.8	37.3
Oper Share	—	0.93
Year	1985	1984
Oper Net	70.5	45.4
Oper Share	3.09	2.35

a: loss. Nets include gains of $22.6 million vs $27 million in quarters and of $86.6 million vs $14.4 million in years, but

1985 nets include charge of $92.7 million and gain of $22 million, 1984 nets include gain of $28 million.

Citadel Holding

4th Quar.	1985	1984
Net Inc.	4.71	3.03
Per Share	1.97	0.93
Year	1985	1984
Net Inc.	24.84	6.89
Per Share	7.73	2.12

1985 nets include charge of $4.3 million.

E-Systems

4th Quar.	1985	1984
Revenue	241.1	204.6
Oper Net	15.2	14.5
Oper Share	0.80	0.55
Year	1985	1984
Revenue	926.8	779.7
Oper Net	59.5	52.0
Oper Share	1.98	2.85

1984 year net includes gain of $2.1 million.

LTV

4th Quar.	1985	1984
Revenue	2,060.	2,080.
Net Loss	73.7	344.7
Year	1985	1984
Revenue	8,705.	7,845.
Net Loss	722.9	575.2

Niagara Mohawk Pwr

4th Quar.	1985	1984
Revenue	661.2	675.1
Net Inc.	91.7	59.7
Per Share	0.61	0.39
Year	1985	1984
Revenue	2,670.	2,726.
Net Inc.	411.3	307.7
Per Share	2.88	2.64

Norlek

4th Quar.	1985	1984
Revenue	148.4	103.4
Oper Net	13.6	4.9
Oper Share	1.13	0.57
Year	1985	1984
Revenue	545.8	408.7
Oper Net	33.1	18.3
Oper Share	3.19	2.44

Phelps Dodge

4th Quar.	1985	1984
Revenue	225.4	217.6
Net Inc.	3.8(o)	132.5
Oper Share	0.02	—
Year	1985	1984
Revenue	871.9	718.1
Net Inc.	18.9(o)	287.2
Per Share	0.21	—

o: loss. Nets exclude gain of $2.8 million vs loss of $100,000 in quarter and gains of $18.4 million vs $24.5 million in years. 1984 nets also exclude loss of $85 million, but include charge of $110 million.

Sherwin-Williams

4th Quar.	1985	1984
Revenue	517.4	501.5
Net Inc.	11.3	9.18
Per Share	0.48	0.40
Year	1985	1984
Revenue	2,150.	2,075.
Net Inc.	74.6	65.0
Per Share	3.21	2.89

Temple-Inland

4th Quar.	1985	1984
Revenue	297.2	296.1
Net Inc.	21.7	25.7
Per Share	0.89	1.04
Year	1985	1984
Revenue	1,246.	1,289.
Net Inc.	85.1	102.7
Per Share	3.50	4.34

Todd Shipyards

3rd Quar.	1984	1985
Revenue	91.7	116.2
Net Inc.	(o)2.91	4.51
Per Share	—	1.04
9 Months	1984	1985
Revenue	298.4	384.6
Net Inc.	(o)4.34	13.44
Per Share	—	3.10

o: loss. 1985 nets include charges of $2.2 million in quarter and of $10 million in 9 months.

Tyler

4th Quar.	1985	1984
Revenue	216.9	221.1
Net Inc.	0.70	4.67
Per Share	0.04	0.35
Year	1985	1984
Revenue	913.4	928.5
Oper Net	15.4	29.0
Oper Share	0.82	1.51

1985 year net includes gain of 7 cents per share. 1984 year net excludes loss of $798,000 and sale of $9.4 million.

Warnaco

Year	1985	1984
Revenue	571.3	561.4
Oper Net	23.72	20.40
Oper Share	2.32	2.02

1985 net excludes charge of $1.2 million.

Wilco

4th Quar.	1985	1984
Revenue	347.8	371.7
Net Inc.	13.08	13.39
Per Share	1.00	1.03
Year	1985	1984
Revenue	1,456.	1,320.
Net Inc.	54.77	62.0
Per Share	3.77	4.17

Quarter nets include gain of $2.5 million vs charge of $4.6 million.

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These securities have been placed privately
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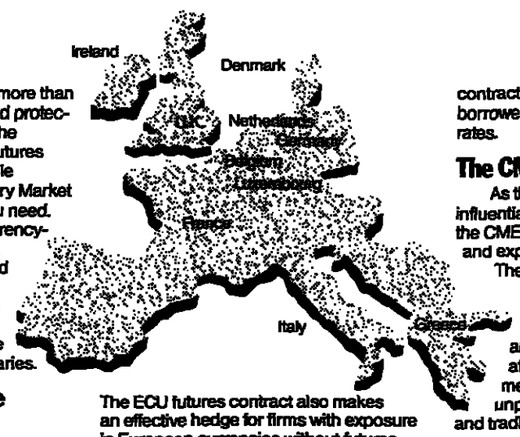
Arnhold and S. Bleichroeder, Inc.

December 31, 1985

THE CME'S NEW ECU FUTURES: When your risk is all over the map, your protection should be too.



When you face exposure in more than one European currency, you need protection that covers a lot of ground. The European Currency Unit (ECU) futures contract at the Chicago Mercantile Exchange's International Monetary Market (IMM) gives you the coverage you need. It's the newest addition to the currency-related futures contracts at CME, where currency futures originated in 1972.
Here's how ECU futures can help you keep your foreign currency exposure – and even interest rate risk – within manageable boundaries.

ECU futures cover Europe 10 ways

The ECU is a unit of account whose price reflects the value and performance of 10 European Economic Community currencies with the components weighted by the relative size of each country's economy. It is rapidly becoming a popular medium of exchange for European – and global – trade and finance transactions.

The free market determines the price at which the ECU trades against the dollar and other currencies, with the dollar price of the ECU approximating the total value of the dollar prices of the 10 individual components.

The ECU serves as a barometer of the value of European currencies. That means ECU futures can help you protect against – or take advantage of – changes in the performance of European currencies against currencies in other economic zones or against a single component currency.

Hedge currencies lacking futures and forwards

Because the CME's futures contract is based on a basket of currencies, it has unique versatility. For instance, it offers the ideal hedge for many combinations of European currencies. No opinions on the relative strengths and weaknesses of individual currencies are required, and there's the added advantage of transaction cost savings.

CME ECU futures can be used to manage the risk of adverse ECU exchange rate movements by fixing the value of a future purchase or sale, in the same way CME currency futures and options contracts can be used to hedge transactions in the individual currencies.

The ECU futures contract also makes an effective hedge for firms with exposure in European currencies without futures markets, or with illiquid or nonexistent forward markets.

In addition to hedging ECU-to-dollar exposure, the CME's futures contract can be used in conjunction with other CME currency contracts to hedge ECU price risk against other major world currencies such as the Japanese yen or the Swiss franc.

The ECU is now the third most popular unit of account for new Eurobond issues. With ECU futures, issuers and investors can hedge receipts or payments from ECU denominated notes or bonds, as well as the purchase and sale of these instruments.

The ECU contract is even more than a flexible currency hedge, however. By spreading with the CME's Eurodollar contract, for example, lenders and borrowers can lock in attractive interest rates.

The CME covers the world

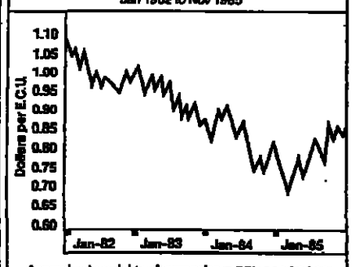
As the world's largest and most influential exchange for currency trading, the CME brings the advantages of liquidity and experience to ECU futures trading.

The ECU futures contract's delivery cycles and other contract terms are similar to those of the CME's contracts such as Deutsche mark and Swiss franc futures, and it has attractive spread margins. That means ECU futures at the CME offer unparalleled arbitrage, spreading and trading opportunities.

CONTRACT SPECIFICATIONS

Trading Units:	ECU 125,000
Quotation:	US$ per ECU
Ticker Symbol:	EC
Minimum Price:	$0001 per ECU
Fluctuation:	$12.50 per contract
Price Limits:	None
Contract Months:	Mar, Jun, Sep, Dec
Trading Hours: (Chicago time)	7.20am to 1.30pm
Last Day of Trading:	Two business days before the third Wednesday of contract month
Last Trading Day Hours: (Chicago time)	7.20am to 9.00am
Delivery:	Check with Clearing House for details

U.S. DOLLAR/ECU EXCHANGE RATE
Jan 1982 to Nov 1985



Approximate weights of currencies in ECU on 16/12/85.

German Mark	32.8%	Belgian Franc	8.3%
French Franc	19.5%	Danish Krone	2.6%
British Pound	14.5%	Irish Punt	1.2%
Dutch Guilder	10.4%	Greek Drachma	0.9%
Italian Lira	9.3%	Luxembourg Franc	0.3%

Protection that goes where you need it

For more information about how the new ECU futures can help you protect yourself anywhere in Europe, talk to your broker or call Keith Woodbridge or Neil McGeown at Chicago Mercantile Exchange, 27 Throgmorton Street, London EC2N 2AN. Tel: 01-920 0722. Telex: 892577 IMMLON G.

CHICAGO MERCANTILE EXCHANGE
FUTURES AND OPTIONS WORLDWIDE
International Monetary Market

Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.
Via The Associated Press

12 Month High	Low	Stock	Div.	Yld.	PE	Sls. 100s	High	Low	Close Quot.	Ch'ge
		A								
6⅝	3⅞	ADI n				95	5¾	5	5⅛	
18½	7½	AL Lab s	.16	.9	20	20	17⅝	17	17	
14⅞	10¼	AMC s	.10	.8	17	17	12¼	12	12	
6	3¼	AM Intl			12	1582	6	5¾	6	+ ¼
4	3	AOI n				22	3⅜	3⅞	3⅜	
94⅞	74⅞	ATT Fd	5.32e	6.0		32	92⅞	91	92⅛	+1¼
5¾	2⅛	AcmePr	.08e	2.2		57	3⅝	3¼	3⅜	+ ½
12	9¼	AcmeU	.32	2.8	32	19	11⅝	11½	11½	— ⅛
18¼	9⅜	Action			15	187	12⅝	12¼	12⅜	+ ⅜
5⅞	1⅛	Acton				272	2⅜	2⅛	2¼	— ⅛
⅞	⅞	Actn wt				77	¼	⅞	⅞	— ½
5¼	1¾	AdmRs			7	13	2⅛	2⅛	2⅛	— ¼
30¼	23⅜	AdRusl	.16	.6	17	1406	26⅞	26	26⅞	+ ⅞
8	3⅝	Aeronc				71	5⅜	4⅞	5	
57	35¼	AflPb s	.44	1.1	25	28	39⅞	39⅛	39⅞	
8¾	5⅛	AirExp				22	7½	7⅛	7½	+ ¼
12	7⅜	AirCal			11	267	9	8¾	8⅞	— ⅛
13⅜	9¾	ArCal pf	1.20	10.3		274	11⅞	11⅝	11⅝	
3⅝	¼	Alamco				60	⅞	⅜	⅞	
123	72¼	Alamito			11	148	123⅛	122	123⅛	+1¼
9⅛	5⅞	AlbaW				9	7⅝	7¼	7⅝	+ ⅛
20¾	6	Alaha				152	21⅛	20⅛	20⅛	+ ⅛
14⅛	8	Alphain				53	11¼	10⅞	11¼	+ ⅜
⅞	¼	Altex n				23	⅜	⅜	⅜	— ⅛
36⅛	31	Alcoa pf	3.75	10.3		10450z	36⅜	35⅞	36½	
34⅞	20¼	AlzaCp			44	460	32¾	32	32⅞	— ⅛
3⅞	2	AmBrit	.08	2.4		47x	3⅜	3¼	3⅜	+ ⅛
18⅛	10⅛	Amdahl	.20	1.3	26	480	15⅝	15⅛	15½	
11⅛	5⅛	Amedco	.08	1.0		23	7⅝	7⅝	7⅝	
13⅛	7⅝	AmBilt	.15	1.4	5	87	10⅝	10⅛	10¼	+ ¼
8⅛	5½	AmCap			12	14	6⅞	6⅝	6⅞	+ ⅛
65¼	40½	AContrl	1.20	1.8	16	7	64⅞	64⅞	64⅞	— ⅛
9	4½	AFruc A			69	5700z	8⅛	8¼	8¼	— ¼
9	4¼	AFruc B			63	1800z	7⅝	7½	7½	
10⅞	3⅜	AHlthM			8	216	4½	4⅜	4½	
8⅝	5½	Alsrael				4	8⅝	8½	8½	
17⅛	11⅞	AMzeA	.52	3.6	69	13	14½	14⅛	14½	+ ½
7⅝	1⅜	AMBld				2019	5⅞	5⅝	5⅝	
4⅛	2⅞	AmOll			17	178	3⅝	3	3⅝	
62½	38⅞	APetf		5.1	12	11	39⅞	39⅛	39⅛	
1⅛	⅞	AmPln v				3	⅞	⅞	⅞	

Floating-Rate Notes

Feb. 3

Japanese Yen

Issuer/Mat.	Coupon	Next	Bid	Asked
Cnt 97 (Yen)	6⅝	22-04	100.02	100.13
Cr Foncier Aug97 Yen	6⅝	27-02	100.02	100.12

Canadian Dollars

Issuer/Mat.	Coupon	Next	Bid	Asked
New Brunswick 89/94	-		98.62	99.42

Deutsche Marks

Issuer/Mat.	Coupon	Next	Bid	Asked
Bnp 92 (Dm)	5	27-06	100.34	100.44
Belgium 97 (Dm)	4⅝	28-02	100.06	100.11
Commerzbank 95 (Dm)	5⅝	22-04	99.20	99.50
Dresdner Fin 90 (Dm)	4⅝	14-02	100.12	100.17
Ireland 97 (Dm)	4⅝	14-07	100.05	100.10
Malaysia 2005	4.3125	18-03	97.75	98.25
J.P. Morgan 95 Cap	5⅛	25-02	99.33	99.53
Sweden 97 (Dm)	4⅝	30-05	100.50	100.55

E.C.U.

Issuer/Mat.	Coupon	Next	Bid	Asked
Cr Foncier 94 (Ecu)	8⅝	13-02	99.95	100.15
Cr National 95	7⅝	18-04	99.70	99.90
Eec 93 (Ecu)	9.0625	30-04	99.72	99.82
Ireland 97 (Ecu)	8⅝	28-04	98.85	99.05
Italy 92	9⅝	27-03	99.70	99.80

Source: Credit Suisse-First Boston Ltd., London

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INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 3 Feb., 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price. The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (i) - irregularly.

DM - Deutsche Mark; BF - Belgium Francs; FL - Dutch Florin; LF - Luxembourg Francs; ECU - European Currency Unit; SF - Swiss Francs; a - asked; + - Offer Prices; b - bid change P/V $10 to $1 per unit; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; *** - Gross Performance Index December; • - Redempt- Price- Ex-Coupon; •• - Formerly Worldwide Fund Ltd; @ - Offer Price incl. 3% prelim. charge; ++ - daily stock price as on Amsterdam Stock Exchange

U.S. May Seek Japanese Curbs On Tool Exports

New York Times Service

WASHINGTON — President Ronald Reagan's cabinet is expected to consider asking Japan to negotiate voluntary restraints on sales of machine tools to the United States.

Commerce Secretary Malcolm Baldrige and Defense Secretary Caspar W. Weinberger are seeking the protection; Secretary of State George P. Shultz is opposed, trade officials said.

U.S. builders of machine tools petitioned Mr. Reagan nearly three years ago to invoke a provision of trade law that offers protection for industries vital to national defense.

In 1981, imports, at $1.48 billion, were 27 percent of domestic consumption. In 1985 they totaled $1.76 billion, or more than 45 percent of the U.S. market. About half were from Japan.

Mr. Baldrige urged protection in a report to the National Security Council on Feb. 28, 1984.

Last December, when the administration got into trouble with House Republicans over the tax-reform bill, Donald T. Regan, the White House chief of staff, promised Republican legislators with machine-tool plants in their districts that their support of the bill would be rewarded by cabinet consideration of the case. Recently, legislators got similar assurances from Mr. Weinberger.

Amsterdam Bourse Reports Record Volume in January

Reuters

AMSTERDAM — The Amsterdam Bourse had a record volume of 26.74 million guilders ($9.9 million) in bonds and shares in January, compared with 16.23 million in December and 21.29 million in November, the previous record, the bourse reported Monday.

Share volume reached a record 18.74 million guilders against 10.75 million in December and a previous record in November of 13.44 million.

AMEX Highs-Lows

NEW HIGHS 39

Alamito, Aloha Inc, Angeles wt, Ausimont n, Bancrft Fnd, CrownCrf, ElectrSnd, Fabindst, Forley pf, FordCan g, Halmi wt, Havnpet, Howell Ind, HubelB s, KayJewel n, Nantucket, PGE 232pfV, PGE 262pfS, PGE 250pfP, PL pf, PL pf 764pf, ProvEnsy s, SDIe 440pf, SDIe 780pf, SDIe 248pf, SoundSv pf, Sbarro, School Pict, SCE orp pfA, SCE 230pf, SCE 7 pf, SterlingCap, Telon Rnch, TensorCp, TolEd, UnFoodsB, Wedgestone, Wellco Ent

NEW LOWS 15

AmRoyalty, BowValley, Coblevisn n, Convest, DamsEngy B, GrahamOG, ImperOil A g, McCoOil s, Perinitiny, PrairieOil s, Seton s, TatoccoSy, TexAmEng, WwdeEng, WWdeEn pf

U.S. Insurance Payouts Rose to a Record in '85

United Press International

NEW YORK — Last year was the most expensive year in history for U.S. insurance companies, the Insurance Information Institute said Monday.

Samuel Schiff, an institute spokesman, said insurance companies paid $2.82 billion for property and casualty losses in 1985. The amount paid in claims last year exceeds the previous record of $2.25 billion, which was set in 1983. Claims totaling $1.55 billion were paid out in 1984.

The Daily Source for International Investors.

مكتبة الأمل

Belgian Diamond Business Is Rocked by Scandal

By Paul Taylor
Reuters

ANTWERP, Belgium — The city of Antwerp, the world's diamond capital, has been rocked by a tax-fraud investigation into a firm of currency brokers. The investigation strikes at the heart of the way that the secretive diamond trade is financed.

The judicial inquiry into the affairs of Roger Kirschen & Co., whose offices are next door to the Antwerp Diamond Exchange on the Pelikaanstraat, has led to thinly veiled threats by the diamond industry to quit Belgium, damaging an ailing economy.

Sources in the trade and in Belgium's ruling parties said that the investigation had upset an unwritten "gentlemen's agreement" under which the authorities have not looked too closely into the diamond community's financial affairs for the last 40 years.

The sector provides jobs for an estimated 30,000 Belgians. Its 355-billion-Belgian-franc ($7.1-billion) volume contributed 6 percent of the gross national product last year. The gross national product is a measure of the total value of a nation's goods and services.

The Diamond High Council, official voice of 3,500 Antwerp diamond firms, warned the government last week: "The choice is between the economy and the enforcement of ill-adapted laws."

The council's president, Marc van den Abeelen, said: "If the authorities want to drive the trade out of Belgium, they should come right out and say so."

Judge Benoit Dejemeppe is investigating Kirschen on suspicion of large-scale tax fraud believed to be related to money-laundering and gold-trading on behalf of its diamond-merchant clients.

If proven, Belgian newspapers have said that it could be the biggest tax-fraud case in the country's history.

The crisis has depressed the market just as prices were recovering from a crash in the early 1980s that had followed a spectacular rise during the world political and economic turmoil of the late 1970s, traders said.

François Leiser, one of two Kirschen directors arrested last week and freed on bail of 7.5 million francs ($150,000), told Reuters that his firm had kept secret coded parallel accounts for undeclared transactions by his 800 clients totaling the equivalent of possibly $1 billion.

Both Mr. Leiser and the other arrested director, Hilaire Beelen, were charged with paying dividends without paying a 25-percent Belgian withholding tax and buying and selling precious stones without paying a value-added tax.

Mr. Leiser said that he was refusing to give his clients' real names to investigators despite being threatened with a five-year prison sentence and a tax bill equivalent to $20 million.

Many people in the diamond trade are Jews, and Mr. Leiser said: "Jewish people consider a denunciator worse than a murderer."

Traders and industry experts said that Kirschen was not just a peripheral firm, as the Diamond Council initially suggested, but stood at the very center of the trade.

"If Kirschen goes, a lot of people will leave this town. A dozen or so have already left for a while and maybe 100 other firms are thinking of closing," a merchant said.

A diamond processor said that Kirschen had played an intermediary role between the traders and foreign financial institutions. "It did unofficially what banks do officially. This business needs such an organization," he said.

Judge Dejemeppe's investigation began as a routine investigation of the tax affairs of a Brussels jewelry wholesaler, who turned out to have an account with Kirschen.

On Jan. 22, the judge sent a force of gendarmes and inspectors, some carrying guns, to seize Kirschen's books, sending shudders down the Pelikaanstraat.

"They marched in here like the Gestapo," said Mr. Leiser, evoking anguished memories of Hitler's secret police. "They threatened my staff. They told one girl she would be jailed for five years without seeing her child if she didn't talk."

"If they go on like this, they'll kill the diamond industry," he said.

He contended that the Antwerp authorities had long known about the diamond community's financial practices but left it alone.

"After all, we are not financing terrorists. We don't permit heroin dealers to get their money in and out of the country. What we do benefits the Belgian economy," Mr. Leiser said.

To illustrate the alleged "hands-off" policy toward the diamond sector, Mr. Leiser said that even when a broker was murdered inside the Antwerp Diamond Club in 1984, police did not search the offices for fear of stumbling on black market accounts.

Official spokesmen such as Mr. van den Abeelen have said that black-market trading is a mere fraction of the diamond business, but some trade sources assert that up to 75 percent of transactions are undeclared.

Mr. Leiser said also there was a flourishing market in invoices to provide an official cover for undeclared transactions.

Dealers regard this system as essential to a flourishing diamond trade in Belgium and some say that they would not hesitate to move to Amsterdam, Tel Aviv or Bombay if the system were stopped.

The Diamond Council noted that the diamond trade had deserted Amsterdam in 1928 because of a similar tax clampdown.

But the Belgian press, angered by the council's charges of a media witch-hunt, is demanding that the investigation be pursued.

Mr. Leiser's lawyer, Paul Speyer, himself the son of a diamond processor, retorted: "It's real hypocrisy."

Finance Minister Mark Eyskens said the case showed that the tax burden had become unbearable for many economic sectors. But he added that the law must be respected.

Mr. Speyer and many in the Pelikaanstraat are hoping that the case will end with what is widely known as a "Belgian solution," a murky compromise preserving vested interests. "Maybe people will be able to make a deal with the Justice Department. The diamond world is a strange and a very closed world," a lawyer said.

U.S. Losing Wheat Markets

(Continued from Page 9)

strengthened demand for corn and grain sorghum in several South American countries, especially Brazil, and Argentina's problems have been offset somewhat by lagging Soviet and European purchases.

But corn-export business is also extremely keen. American farmers face more competition in Tunisia, which has purchased 50,000 tons of corn from Thailand, for the first corn agreement between the two nations in more than a decade.

With a stepped-up marketing program, Thailand will probably export a record 3.65 million tons, 700,000 tons more than last year.

Meanwhile, construction of a new berth at the port city of Yinkou in northeast China indicates that it will maintain its new status as a major corn exporter. In the first full year of operation, in 1987, 1 million tons of corn will be shipped through the harbor, triple the level of 1985.

For several years, China imported corn, mostly from the United States. But in 1984-85, China suddenly became a huge exporter, selling 5.2 million tons. The forecast for this marketing year is 4 million tons.

Americans face more competition in Egypt, as China appears likely to make its first corn sale to Egypt and Thailand supplies manioc, a competing product.

Until 1983, when Argentina made its first corn sale to Egypt, the United States filled virtually all of Egypt's corn requirements.

The Soviet Union and Argentina have renewed their five-year grain agreement, which commits Argentina to supply the Russians with 4 million tons of feed grains and 500,000 tons of soybeans a year.

(UPI, IHT)

Prices of Oil Drop Again

(Continued from Page 9)

reduce output in an attempt to force up prices.

Venezuela's minister, Arturo Hernández Grisanti, who heads the five-member committee, took a conciliatory line in a statement Monday. He said the committee would recommend that OPEC seek a "reasonable" share of the market.

But he also called on non-OPEC producers to pitch in with production cuts.

"The alternative is a major price collapse and continuously unstable and volatile markets with sharp fluctuations in prices and volumes," Mr. Grisanti said.

The Venezuelan minister said the committee would not announce its recommendations because such announcements could be made only after a full OPEC meeting had reached a decision on the matter.

Japan Bank Gains Power

(Continued from Page 9)

anteeing the stability of the financial system and acting as a lender of last resort.

As liberalization creates new markets and problems, the bank has seized the chance to build up its power base. Finance Ministry officials accuse the bank of rigidity, but even they voice respect.

The bank has relished its new center-stage role since the focus of foreign-exchange markets switched decisively to the yen-dollar relationship after last September's meeting in New York of the G-5 nations: Japan, the United States, Britain, France and West Germany.

A Western banker noted that even if the bank had not been aggressive, it would have had to respond somehow to this new focus and take a bigger international role.

Mr. Sumita has been at the center of liberalization plans for more than 15 years in various positions, including head of the Banking Bureau, administrative vice minister of finance, chief of the Export-Import Bank of Japan, and central bank deputy governor.

Saudi Industrial Group Has $10.8-Million Profit

Reuters

RIYADH — National Industrialization Co. of Saudi Arabia reported Monday that its net profit for 1985 was 39.4 million riyals ($10.8 million). The company began operations in May.

National Industrialization said it expected to invest 150 million riyals this year in a variety of projects and 80 million riyals had already been committed.

CURRENCY MARKETS

Dollar Ends Stronger in Europe, U.S.

Compiled by Our Staff From Dispatches

NEW YORK — The dollar turned higher against most currencies Monday, boosted by the release of strong U.S. economic data and a flight out of the British pound as oil prices fell. But the U.S. currency remained weak against the yen after falling to a seven-year low of 189.50 in earlier trading in Tokyo.

After release of the U.S. figures — a 2.8-percent rise in December construction spending and a 2.7-percent increase in factory orders — the dollar rose from a low of 2.37 Deutsche marks in London to close at 2.4000 DM, up from 2.3870 on Friday.

It also rose there to finish at 2.0355 Swiss francs and 7.3550 French francs, up from Friday's close of 2.0270 and 7.3125 respectively.

In later trading in New York, the dollar rose to 2.3965 DM from 2.3875 there at Friday's close; to 7.3450 French francs from 7.3130, and to 2.0330 Swiss francs from 2.0238.

Despite its rise against European currencies, however, the dollar shed more than a yen against the strong Japanese currency, falling to 191.50 in London from its previous close of 192.75. But that was up on its Tokyo close of 190.35 and its trading low there of 189.95.

In New York, the dollar slipped to 191.30 at the finish from 191.85 on Friday.

Dealers said the dollar won some support after Satoshi Sumita, governor of the Bank of Japan, said that the yen was rising against the U.S. currency faster than expected.

Both Mr. Sumita and the chairman of the Federal Reserve Board, Paul A. Volcker, have expressed concern about the consequences of a free-fall in the dollar's value.

But Mr. Sumita declined to elaborate on whether the central bank would intervene to support the dollar if he thought it was falling too rapidly, and would not say whether he had a specific yen-dollar exchange rate in mind.

In other European markets Monday, the dollar was fixed at midafternoon in Frankfurt at 2.3905 DM, up from 2.3892 at the Friday fixing, and at 7.3180 French francs in Paris, up from 7.3170.

The British pound, meanwhile, dropped briefly below 3.30 DM in hectic early trading after the Saudi Arabian oil minister, Sheikh Ahmed Zaki Yamani, said that he saw no chance of OPEC members and non-OPEC producers agreeing on ways to bolster prices.

Oil price cuts by Mexico and Venezuela over the weekend and statements by other OPEC ministers also contributed to the bearish outlook for crude prices and sterling, dealers said.

But dealer said that markets gradually calmed, despite a $1-a-barrel drop in the price of North Sea Brent crude for March delivery, and sterling recovered.

Sterling finished in London at $1.3865 and 3.3265 DM, down from Friday's close of $1.4135 and 3.3678. It finished later in New York at $1.3880, down from $1.4138. *(Reuters, IHT)*

THE EUROMARKETS

Market Quiet Ahead of Treasury Refunding

By Christopher Pizzey
Reuters

LONDON — The dollar sectors of the Eurobond market were little changed in quiet trading Monday, dealers said.

They said operators were awaiting Tuesday's start of the three U.S. Treasury refunding auctions that will total $24 billion, including $1 billion of foreign-targeted securities.

"There's been absolutely no retail interest all day. Everyone seems to be waiting to see how the auctions go," one trader said. No new U.S. dollar straights or floaters had been launched by the end of trading, but issues did emerge in other currencies, other dealers noted.

Dealers said that with many of last week's dollar-straight issues continuing to trade outside their total fees, and with the outlook for the currency remaining uncertain, it was unlikely that many new bonds would emerge in this sector during the week.

As a result, borrowers may concentrate on alternative currency sectors.

The most successful new issue Monday was a 300-million-Danish-kroner bond for Banque Française du Commerce Extérieur. It was the first time that a French institution had tapped this sector. The issue pays 9⅝ percent over 10 years and was priced at par.

The issue was lead-managed by Enskilda Securities and quickly jumped to trade at a discount of around ⅞, comfortably inside the 1⅞-percent selling concession.

The State Bank of New South Wales issued the first Australian dollar bond with bond warrants attached. The host bonds pay 14½ percent over seven years and are priced at 100½. They are callable after four years.

The warrants can be exercised into an identical, noncallable bond. The warrants are not exercisable for the first four years, but pay 5.80 Australian dollars a year each until the exercise date.

Morgan Stanley International lead managed the issue and quoted it at a discount of around 1¾, inside the 1⅞-percent total fees.

The warrants rose to trade well above the 20-dollar issue price, at about 45 dollars each.

The Canadian-dollar sector saw a further issue Monday, this time for Genossenschaftliche Zentralbank of Austria. The 60-million-Canadian-dollar bond pays 10¼ percent over five years and was priced at 100¾.

It finished on the market at a discount of 1 13/16, just within the 1⅞-percent total fees. Dealers said that there was some demand for the issue from the Continent.

But, they noted that this sector remained under pressure, with secondary-market prices dropping by ⅛ to ⅜ point as the Canadian dollar fell to below 70 U.S. cents.

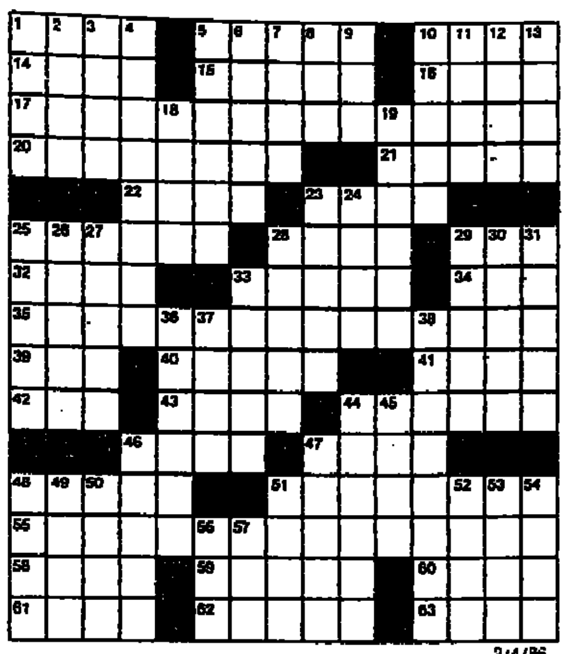
Sterling straight issues again finished lower.

Monday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.
Via The Associated Press

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s). b — annual rate of dividend plus stock dividend. c — liquidating dividend. cld — called. d — new yearly low. e — dividend declared or paid in preceding 12 months. g — dividend in Canadian funds, subject to 15% non-residence tax. i — dividend declared after split-up or stock dividend. j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k — dividend declared or paid this year, an accumulative issue with dividends in arrears. n — new issue in the past 52 weeks. The high-low range begins with the start of trading. nd — next day delivery. P/E — price-earnings ratio. r — dividend declared or paid in preceding 12 months, plus stock dividend. s — stock split. Dividend begins with date of split. sls — sales. t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u — new yearly high. v — trading halted. vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd — when distributed. wi — when issued. ww — with warrants. x — ex-dividend or ex-rights. xdis — ex-distribution. xw — without warrants. y — ex-dividend and sales in full. yld — yield. z — sales in full.



2/4/86

ACROSS

1 Isinglass
5 Physique
10 Surrounded by
14 Athletic field
15 Capital of Nigeria
16 Uncommon
17 Legislative expert
20 Gives the nod to
21 Baby tender
22 Leave slumberland
23 Parts of journeys
25 Memorable English actor
28 Toadfish
29 Nick and Nora's Asta, e.g.
32 Unskilled laborer
33 Malayan ungulate
34 French soul
35 Forecast
39 Swedish county
40 Hastily, à la Lanier
41 Stake
42 Naval off.
43 Weary
44 "—— and evening star": Tennyson
46 Long-run Broadway musical
47 Eyetooth
48 Type of flu
51 Inclination
55 Daily health regimes
58 Trading center
59 —— talk (flattery)
60 Corner
61 Fencing weapon
62 Cousin of lichenous
63 Appendectomy memento

DOWN

1 Be despondent
2 The Great or the Terrible
3 Wag
4 Permitting
5 Bottled-shaped containers
6 Ouida's real name
7 "Rock of ——"
8 My, in Metz
9 N.Y. time
10 Tapestry
11 Street or stream preceder
12 Mideast trouble spot
13 Disavow
18 Authors Levin and Wolfert
19 Sweater material
23 Rabbit fur
24 Majestic; monumental
25 Winesap, e.g.
26 Showed a second time
27 Diving birds
28 Composer Erik ——
29 Take —— (use care)
30 Act the ham
31 Principle
33 Autocrats
36 Swimming
37 Leave out
38 Divergences
44 Soundness of mind
45 Annul
46 Social stratum
47 Celebrations
48 Peak
49 TV offering
50 As to
51 Calendar abbr.
52 Undercover cop
53 Durrell heroine
54 Nieuport's river
56 Doctrine
57 Handed or fisted preceder

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DENNIS THE MENACE

"...AN' IF IT SLEETS AGAIN TOMORROW, HOW ABOUT PUTTIN' SOME FLUFF IN IT?"

JUMBLE®

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

YUINT

NOLFE

KLUSCE

SLIFSO

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

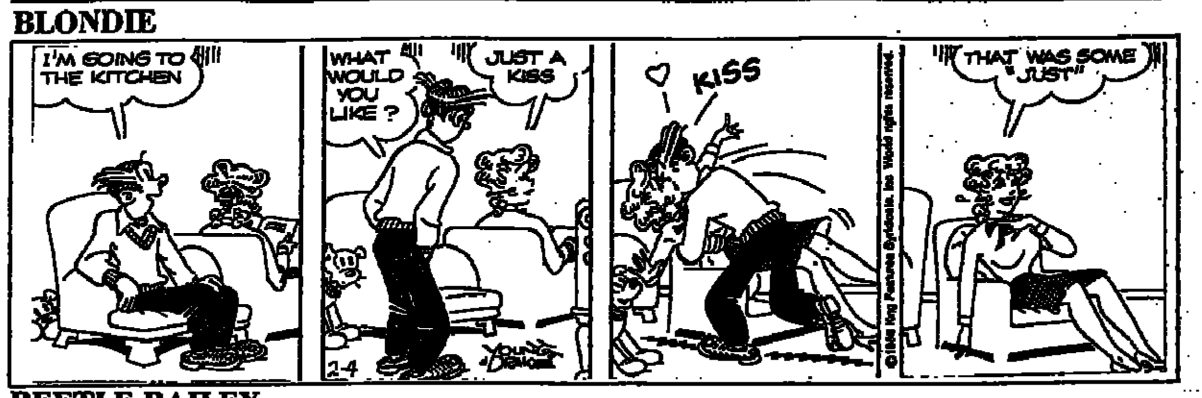
Answer: " ○○○○○○○○○○○ "

(Answers tomorrow)

Yesterday's | Jumbles: AZURE CHAFE AFRAID PLAQUE
Answer: What some so-called "dinner parties" sort of are—"LAP-HAZARD"

PEANUTS

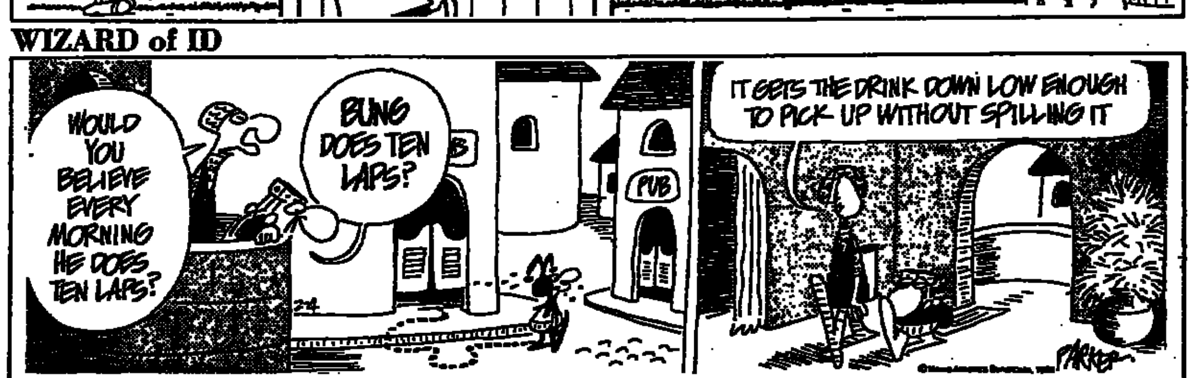
BLONDIE



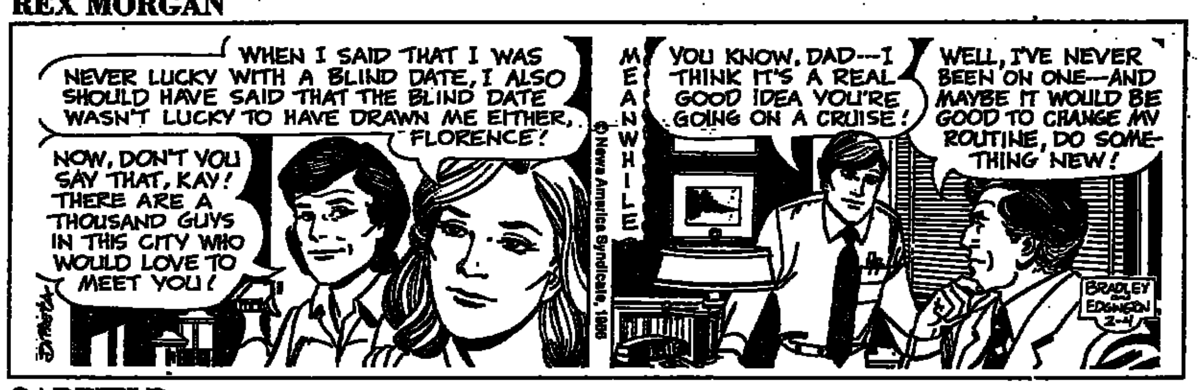
BEETLE BAILEY

ANDY CAPP

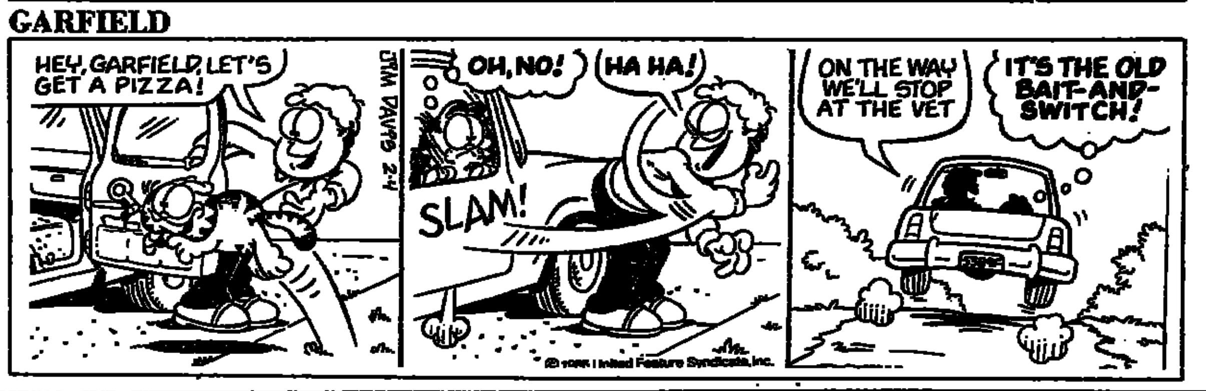
WIZARD of ID



REX MORGAN



GARFIELD



BOOKS

THE HANDMAID'S TALE

By Margaret Atwood. 311 pages. $16.95. Houghton Mifflin, 2 Park Street, Boston, Mass. 02108.

Reviewed by Christopher Lehmann-Haupt

IT is a bleak world that Margaret Atwood opens up for us in her new novel, "The Handmaid's Tale." But the sensibility through which we view it is infinitely rich and abundant, which explains why Atwood has succeeded with her anti-Utopian novel where most practitioners of this Orwellian genre have tended to fail.

Atwood, a Canadian with an international reputation, has honed her technique in five previous novels ("Surfacing," "The Edible Woman" and "Life Before Man" are the best known), two works of short fiction, and 10 volumes of poetry. Confined as we are here to the viewpoint of an anonymous woman living in an oppressive society in the near future, we realize only gradually that she is a slave whose sole function is to bear children for the underpopulated theocracy called the Republic of Gilead that was once the United States.

She does not even have a name. She is a cipher called Offred, presumably because the commander of the household in which she is the only fertile member has the given name of Frederick.

Fortunately, however, she is an incompletely successful product of the Rachel and Leah Re-education Center, so named after the passage in Genesis where Rachel tells Jacob: "Behold my maid Bilhah, go in unto her; and she shall bear upon my knees, that I may also have children by her." While she partly enjoys her oppression, which lends the novel an arresting ambiguity, she also knows better, understands the psychology of tyranny, and feels guilty for submitting.

She is sensitive to the landscape around her, which is not a mere decorative background but plays a role in the novel. She never stops scheming to escape. Most important, she never loses her sense of language, or gives up her freedom to play with words.

"I wait," she muses, "for the household to assemble. Household: that is what we are. The Commander is the head of the household. The house is what he holds. To have and to hold, till death do us part. The hold of a ship. Hollow." Later, as the book approaches its chilling climax, she comments: "Today there are different flowers, drier, more defined, the flowers of high summer: daisies, black-eyed Susans, starting us on the long downward slope to fall."

This sensitivity to language is vital, and not only because it keeps the book alive. Women are absolutely forbidden literacy in the Republic of Gilead; "Our big mistake was teaching them to read," says the member of the Sons of Jacob who is thought to have orchestrated the massacre of the president and Congress. "We won't do that again." Or, as one of the center's mottos puts it, "Pen Is Envy."

But it so much more than that — a future thriller, a psychological study, a play on words. It has a sense of humor, as well as an ambivalence toward even its worst villains. Best of all, it holds out the possibility of redemption. After all, the Handmaid is also a writer. She has written this book. She may have survived.

If it is an ideological jeremiad, the book is also a sadomasochistic fantasy, what one might even call a cerebral version of Pauline Reage's "Story of O." The tension between these two readings it makes a rich and complex book even more interesting. "The Handmaid's Tale" is easily Margaret Atwood's best novel to date, the fulfillment of the promise of "Surfacing."

Christopher Lehmann-Haupt is on the staff of The New York Times.

Solution to Previous Puzzle

J	E	N	A		A	H	E	M		C	A	M	P	O
O	P	A	L		L	O	L	A		O	V	O	I	D
T	H	E	B	I	G	S	K	Y		N	O	I	S	E
			A	R	E	T	E	S		V	I	L	A	S
S	U	M	N	E	R				V	E	D			
A	R	I	E	S		C	A	T	E	R		M	A	T
V	A	N	S		A	R	M	I	N	G		O	P	E
O	N	C	E	I	N	A	B	L	U	E	M	O	O	N
R	U	E		N	A	V	E	L	S		E	R	G	O
S	S	S		V	I	E	R	S		S	N	E	E	R
			G	E	L				C	H	A	S	E	S
D	A	M	O	N		A	L	A	R	I	C			
A	D	U	L	T		B	Y	J	U	P	I	T	E	R
W	A	L	D	O		E	R	A	S		N	O	V	A
S	H	E	A	R		D	A	R	T		G	R	E	W

2/4/86

CHESS

By Robert Byrne

IN Match play, standard advice after a loss is to recover one's bearings by running off one or more draws. But in short matches, this might only hasten defeat.

In six-game KRO Chess Match in Hilversum, the Netherlands, the Dutch grandmaster Jan Timman lost the first two encounters to the world champion, Gary Kasparov, of the Soviet Union. There was obviously no time to tinker with draws as Timman well recognized. In the third game, he performed with extraordinary belligerence and was rewarded by a fascinating victory.

This game took the same course as their first match game, except for the present intermezzo of 11 N-N5, R-KB1; 12 N-B3, RK1, which changed nothing but the number of moves. It should be noted that 12 P-KB4 works out only to Black's advantage after 12...PxBP; 13 BxP, N-QR4; 14 B-B2, N-Q4!; 15 PxN, BxN; 16 Q-R5, P-R3; 17B-KN3, P-N3; 18 Q-B3, N-B5.

Play splintered off from the first game when Timman substituted the tension-sustaining 23 N-B2 for the ineffective, premature break with P-N5.

On 26 N-K3!, it would have been wrong for Kasparov to snatch a pawn with 26...NxP, since 27 BxB, NxN(27..KxB; 28 N-Q5 would have been tremendous for White); 28 QxN, KxB; 29Q-B3ch, P-B3(29...N-B3?; 30N-Q5, RxRch; 31RxR, Q-Q1; 32 NxN, QxN; 33 QxP, Q-Q1; 34 P-N5, Q-R4; 35 R-K7! ends Black's struggles); 30 QxP, QxQ; 31 RxQ will win a pawn with decisive positional advantage.

Timman had the superior pawn structure and superior mobility, but it was still surprising that he would launch an attack so quickly with 27 N-Q5!?, NxN; 28 BxB, KxB; 29 PxN, N-K4; 30 N-k4!?

He was encouraging Kasparov to go for the fork with 30...N-Q6 to mobilize his last piece for attack with 31 Q-Q2!? Now, 31...NxQR (31...NxKR; 32 Q-B3ch, K-B1; 33 RxN threatens 34 Q-R8ch, K-K2; 35 N-B6ch and thus forces 33...RxN; 34 Q-R8ch!, K-K2; 35RxRch, winning outright) 32 Q-Q4ch, K-B1; 33RxN probably gives Black no better option than to return the exchange with 33...RxN: 34 QxR, with clear superiorty for White.

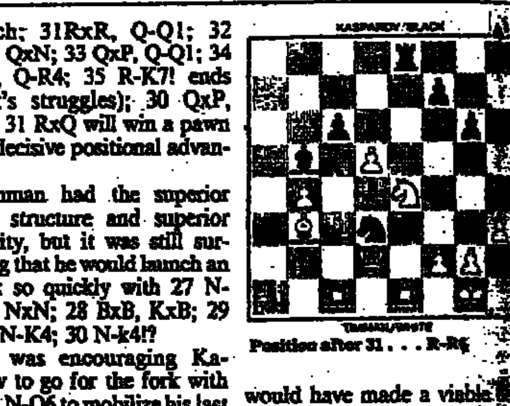
However, it is a problem how Timman could have proceeded against a solid defense with 31...P-B3! Instead, Kasparov's 31...R-R6?! gave Timman the chance for an electrifying sacrifice with 32 N-B6! After 32...RxRch; 33 RxR, there was no time to pause for 33...NxR? because 34 N-K8ch drops the Black queen.

On 33...KxN; 34 Q-B3ch, Kasparov should have tried 34...K-B4; 35 P-N4ch — he would have to give up the exchange with 36...RxB; 37 QxR, and his exposed king would have made a viable defense doubtful.

On the other hand his 34...N-K4? was quickly proved disastrous by Timman — on 35 P-B4, B-R5; 36 PxNch, PxP; 37P-Q6!, it was impossible to play 37...Q-N3; 38 K-R2, Q-Q5 because of 39 QxQ, PxQ; 40 P-Q7!

Kasparov's 40...R-R8 hoped for the miracle of 41 RxR?, Q-Q5ch, but against Timman's crushing 41 Q-B6ch the champion had to give up at once.

KASPAROV/BLACK



TIMMAN/WHITE

Position after 31...R-R6

RUY LOPEZ

	White Timman	Black Kasparov		White Timman	Black Kasparov
1	P-K4	P-K4	22	BxP	[illegible]
2	N-KB3	N-QB3	23	N-B2	[illegible]
3	B-N5	P-QR3	24	B-N3	[illegible]
4	B-R4	N-B3	25	[illegible]	[illegible]
5	O-O	B-K2	26	N-K3	[illegible]
6	R-K1	P-QN4	27	N-Q5	[illegible]
7	B-N3	P-Q3	28	BxB	[illegible]
8	P-B3	O-O	29	PxN	[illegible]
9	P-KR3	B-N2	30	N-K4	[illegible]
10	P-Q4	R-K1	31	Q-Q2	[illegible]
11	N-N5	R-KB1	32	N-B6	[illegible]
12	N-B3	R-K1	33	RxR	[illegible]
13	QN-Q2	B-KB1	34	Q-B3ch	[illegible]
14	P-R3	P-R3	35	P-B4	[illegible]
15	B-B2	N-N1	36	PxNch	[illegible]
16	P-QN4	QN-Q2	37	P-Q6	[illegible]
17	B-N2	P-N3	38	[illegible]	[illegible]
18	P-B4	PxQP	39	[illegible]	[illegible]
19	PxP	PxP	40	[illegible]	[illegible]
20	NxP	P-B3	41	Q-B6ch	Resigns
21	P-QR4	PxP			

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Algarve	15	59	3	37	fr
Amsterdam	1	34	0	32	o
Athens	13	55	8	46	fr
Barcelona	14	57	3	37	fr
Belgrade	1	34	-1	30	o
Berlin	-1	30	-5	23	o
Brussels	2	36	1	34	o
Bucharest	-4	25	-6	21	o
Budapest	1	34	-2	28	sw
Copenhagen	4	39	-1	30	fr
Costa Del Sol	14	57	3	37	o
Dublin	5	41	2	36	r
Edinburgh	4	39	2	36	r
Florence	12	54	2	36	fr
Frankfurt	3	37	1	34	o
Geneva	3	37	1	34	o
Helsinki	-10	14	-18	0	o
Istanbul	—	—	5	41	na
Las Palmas	19	66	11	52	fr
Lisbon	12	54	6	43	cl
London	4	39	1	34	r
Madrid	6	43	2	36	cl
Milan	6	43	2	36	o
Moscow	-12	10	-18	0	sw
Munich	1	34	0	32	sw
Nice	12	54	6	43	o
Oslo	-2	28	-5	23	cl
Paris	5	41	3	37	o
Prague	1	34	-2	28	o
Reykjavik	7	45	3	37	r
Rome	14	57	3	37	cl
Stockholm	-2	28	-12	10	fr
Strasbourg	2	36	-1	30	o
Venice	7	45	5	41	o
Vienna	1	34	0	32	sw
Warsaw	-6	21	-10	14	cl
Zurich	1	34	0	32	o

MIDDLE EAST

	HIGH C	HIGH F	LOW C	LOW F	
Ankara	—	—	4	39	na
Beirut	—	—	—	—	na
Damascus	20	68	—	—	cl
Jerusalem	20	68	7	45	o
Tel Aviv	25	77	10	50	o

OCEANIA

	HIGH C	HIGH F	LOW C	LOW F	
Auckland	24	75	17	63	sh
Sydney	22	72	20	68	o

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	32	90	19	66	fr
Beijing	1	34	-9	16	fr
Hong Kong	18	64	15	59	o
Manila	—	—	—	—	na
New Delhi	21	70	8	46	o
Seoul	-5	23	-12	10	fr
Shanghai	5	41	-1	30	o
Singapore	31	88	24	75	o
Taipei	17	63	14	57	o
Tokyo	14	57	2	36	fr

AFRICA

	HIGH C	HIGH F	LOW C	LOW F	
Algiers	14	57	7	45	fr
Cairo	—	—	—	—	na
Cape Town	26	79	16	61	fr
Casablanca	14	57	8	46	sh
Harare	—	—	16	61	na
Lagos	32	90	28	82	cl
Nairobi	—	—	—	—	na
Tunis	18	64	4	39	cl

LATIN AMERICA

	HIGH C	HIGH F	LOW C	LOW F	
Buenos Aires	—	—	—	—	na
Caracas	27	81	16	61	cl
Lima	—	—	—	—	na
Mexico City	26	79	7	45	fr
Rio de Janeiro	—	—	—	—	na

NORTH AMERICA

	HIGH C	HIGH F	LOW C	LOW F	
Anchorage	1	34	-3	27	pc
Atlanta	21	70	9	48	pc
Boston	5	41	-4	25	fr
Chicago	4	39	1	34	r
Denver	14	57	-2	28	fr
Detroit	4	39	-2	28	cl
Honolulu	29	84	19	66	pc
Houston	21	70	19	66	sh
Los Angeles	19	66	11	52	fr
Miami	25	77	17	63	pc
Minneapolis	-1	30	-5	23	cl
Montreal	-6	21	-12	10	cl
Nassau	23	73	17	63	fr
New York	5	41	0	32	cl
San Francisco	15	59	9	48	fr
Seattle	10	50	7	45	sh
Toronto	-1	30	-6	21	cl
Washington	12	54	2	36	cl

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sw-snow; st-stormy.

TUESDAY'S FORECAST — CHANNEL: Rough. FRANKFURT: Foggy. Temp. 3—-3 (37—27). LONDON: Foggy. Temp. 4—0 (39—32). MADRID: Cloudy. Temp. 7—1 (45—34). NEW YORK: Rain. Temp. 4—0 (39—32). PARIS: Foggy. Temp. 3—-1 (37—30). ROME: Cloudy. Temp. 11—4 (52—39). TEL AVIV: Na. ZURICH: Foggy. Temp. 3—-4 (37—25). BANGKOK: Mist. Temp. 31—22 (88—72). HONG KONG: Cloudy. Temp. 16—13 (61—55). MANILA: Fair. Temp. 31—23 (88—73). SEOUL: Fair. Temp. -6—-13 (21—9). SINGAPORE: Thunderstorms. Temp. 30—25 (86—77). TOKYO: Fair. Temp. 15—0 (59—32).

World Stock Markets

Via Agence France-Presse Feb. 3

Closing prices in local currencies unless otherwise indicated.

Amsterdam

	Close	Prev.
ABN	582.50	575
ACF Holding	291	287
Aegon	111.60	109.50
Akzo	164.40	158.90
Ahold	81.20	80.70
Amev	84.50	84
A'Dam Rubber	10.90	10.45
Amro Bank	110.70	108.80
BVG	233	232
Buehrmann T	136	137.50
Calland Hldg	29	29
Elsevier-NDU	181	176
Fokker	77.50	78.70
Gist Brocades	275.50	268.80
Heineken	218	217.50
Hoogovens	86.70	84.30
KLM	62.70	60.40
Naarden	56.30	56.30
Nat Neder	81.20	81.30
Nedlloyd	194.50	192
Oce Vander G	437	434
Pakhoed	81.50	80.50
Philips	61.80	60.80
Robeco	84.60	83.90
Rodamco	133.30	132.90
Rolinco	73.50	73.70
Rorento	47.20	47
Royal Dutch	168.30	167
Unilever	385.50	378.40
Van Ommeren	33.20	32.80
VMF Stork	280	278
VNU	285	289

ANP.CBS Gen'l Index: 254.90
Previous: 254.40

Brussels

	Close	Prev.
Arbed	2730	2630
Bekaert	8500	8600
Cockerill	175	167
Cobepa	4060	4095
EBES	3850	3820
GB-Inno-BM	4820	4820
GBL	2360	2350
Gevaert	5000	5000
Hoboken	6000	6050
Intercom	3030	3030
Kredietbank	11000	11000
Petrofina	6070	6070
Soc Generale	2120	2105
Sofina	7900	7710
Solvay	6430	6370
Traction Elec	5110	5070
UCB	5570	5560
Unerg	2295	2285
Vieille Montagne	6250	6100

Current Stock Index: 2853.42
Previous: 2841.70

Frankfurt

	Close	Prev.
AEG	298	295.50
Allianz Vers	2250	2243
Altana	410	413
BASF	254.70	265.40
Bayer	282	282
Bay. Hypo bank	541	528
Bay Vereinsbank	488	497
BBC	261.80	259.50
BHF-Bank	485	475
BMW	590	584
Commerzbank	304.50	310.50
Conti Gummi	198	192.50
Daimler-Benz	1312	1314
Degussa	475	469
Deutsche Babcock	217	217.50
Deutsche Bank	772	770
Dresdner Bank	401	403
GHH	241	239
Harpener	366	366
Hochtief	700	725
Hoechst	275	274.50
Hoesch	187.50	181
Horten	207	201.50
Hussel	441	430
IWKA	326.50	321.10
Kali + Salz	292.50	289
Karstadt	335	329
Kaufhof	395	378.10
Kloeckner H-D	345	341.50
Kloeckner Werke	105.50	103.50
Krupp Stahl	185	178
Linde	645.50	637
Lufthansa	285.50	283.50
MAN	202	200
Mannesmann	276	275
Muench Rueck	3450	3400
Nixdorf	569	573
PKI	770	750.50
Porsche	1285	1289
Preussag	259	257.50
PWA	165	160.70
RWE	224.50	217.50
Rheinmetall	515	515
Schering	570	570
SEL	318	318
Siemens	794	798
Thyssen	171	168.50
Veba	279	278.50
Volkswagenwerk	507	503.50
Wella	748	748

Commerzbank Index: 1966.90
Previous: 1958.40

Hong Kong

	Close	Prev.
Bk East Asia	24.50	24.80
Cheung Kong	19.80	19.70
China Light	15.70	15.80
Green Island	7.80	8.25
Hang Seng Bank	45.75	45.25
Henderson	1.86	1.87
China Gas	13.30	13.30
HK Electric	8.65	8.65
HK Realty A	10.80	10.90
HK Hotels	34.75	34
HK Land	6.40	6.30
HK Shang Bank	7.85	7.85
HK Telephone	10.00	10.60
HK Yaumatei	3.575	3.70
HK Wharf	7.05	6.95
Hutch Whampoa	25.80	26
Hysan	0.66	0.66
Jardine	12.10	12.20
Jardine Sec	13.90	14.10
Kowloon Motor	9.45	9.80
Miramar Hotel	3.95	3.825
New World	6.25	6.25
SHK Props	11.50	11.50
Stelux	1.84	1.90
Swire Pacific A	30.25	30.25
Tai Cheung	1.76	1.75
Wah Kwong	Susp.	—
Wing On Co	1.46	1.58
Winsor	5.80	5.75
World Int'l	2.45	2.425

Hang Seng Index: 1782.38
Previous: 1695.78

Johannesburg

	Close	Prev.
AECI	960	968
Anglo American	4250	4275
Anglo Am Gold	22200	22280
Barlows	1530	1530
Blyvoor	1625	1650
Buffels	8150	8300
De Beers	1750	1750
Driefontein	5435	5400
GFSA	4250	4250
Harmony	3950	4025
Hiveld Steel	590	N.A.
Kloof	2550	2550
Nedbank	940	915
Pres Steyn	6050	6200
Rusplat	2865	2850
SA Brews	900	885
St Helena	4150	4150
Sasol	790	785
West Holding	8000	8050

Composite Stock Index: 1401.80
Previous: 1401.70

London

	Close	Prev.
AA Corp	$14½	$14¼
Allied-Lyons	263	268
Anglo Am Gold	$75	$74
Ass Brit Foods	244	250
Ass Dairies	140	140
Barclays	444	459
Bass	650	653
B.A.T.	346	348
Beecham	365	366
BICC	293	288
BL	42	33
Blue Circle	533	541
BOC Group	297	290
Boots	237	243
Bowater Indus	298	302
BP	568	578
Brit Home St	298	305
Brit Telecom	188	188
Brit Aerospace	448	456
Britoil	194	200
BTR	400	400
Burmah	308	310
Cable Wireless	587	595
Cadbury Schw	165	166
Charter Cons	216	218
Commercial U	241	243
Cons Gold	484	492
Courtaulds	214	214
Dalgety	225	225
De Beers	598	592
Distillers	560	565
Driefontein	$18¼	$18⅝
Fisons	465	463
Free St Ged	$24¾	$24½
GEC	172	170
Gen Accident	725	728
GKN	272	276
Glaxo	868	863
Grand Met	381	388
GRE	755	760
Guinness	293	295
GUS	910	920
Hanson	142	144
Hawker	471	467
ICI	827	816
Imperial Group	240	246
Jaguar	472	390
Land Securities	295	297
Legal General	719	719
Lloyds Bank	444	457
Lonrho	226	232
Lucas	513	511
Marks and Sp	171	172
Metal Box	420	420
Midland Bank	424	424
Nat West Bank	684	694
P and O	453	458
Pilkington	346	351
Plessey	184	184
Prudential	787	789
Racal Elect	176	176
Randfontein	$95½	$94
Rank	497	497
Reed Intl	669	674
Reuters	285	278
Royal Dutch £	44 45/64	43⅝
RTZ	569	574
Saatchi	790	790
Sainsbury	352	354
Sears Holdings	114½	116
Shell	668	671
STC	106	108
Std Chartered	422	429
Sun Alliance	586	588
Tate and Lyle	550	553
Tesco	285	285
Thorn EMI	389	387
T.I. Group	395	399
Trafalgar Hse	312	318
THF	148	152
Ultramar	210	215
Unilever £	13 29/32	14
United Biscuits	240	242
Vickers	318	321
Woolworth	453	470

F.T. 30 Index: 1155.30
Previous: 1161.80
F.T.S.E.100 Index: 1425.10
Previous: 1435.80

Milan

	Close	Prev.
Banca Comm	20350	20195
Ciga hotels	12999	12800
CIR	7400	7300
Cred Ital	3449	3450
Erldania	14850	13510
Farmitalia	17150	16465
Fiat	6460	6440
Generali	81010	80450
IFI	17000	16935
Italcementi	49700	48500
Italgas	2360	2230
Italmobiliari	105500	97000
Mediobanca	132850	129000
Montedison	2278	2273
NBA	4240	4370
Olivetti	10150	10150
Pirelli	4135	3998
RAS	164775	163975
Rinascente	1081	974
SIP	2685	2684
SME	1295	1369
Snia	5730	5543
Standa	15200	15280
Stet	3658	3649

MIB Current Index: 1854
Previous: 1844

Paris

	Close	Prev.
Air Liquide	637	639
Alsthom Atl.	416	419
Av Dassault	1205	1210
Bancaire	955	940
BIC	518	517
Bongrain	1580	1550
Bouygues	940	960
BSN-GD	2920	2870
Carrefour	3030	3000
Chargeurs	941	923
Club Med.	479	457
Darty	2203	2152
Dumez	1715	1055
Elf-Aquitaine	214.10	217
Europe 1	998	965
Gen Eaux	996	1004
Hachette	1544	1535
Lafarge Cop	842	845
Legrand	2850	2860
Lesieur	842	852
l'Oreal	2888	2880
Martell	1491	1505
Matra	1487	1550
Merlin	2785	2790
Michelin	1799	1800
Moet Hennessy	2225	2235
Moulinex	69	71.50
Occidentale	763	785
Pernod Ric	846	840
Perrier	500	500
Peugeot	668	682
Printemps	438.50	429
Radiotechn	459	455
Redoute	1880	1880
Roussel Uclaf	1480	1580
Sanofi	661	670
Skis Rossignol	1240	1180
Telemecan	2480	2703
Thomson CSF	850	824
Total	316	320

CAC Index: N.A.
Previous: N.A.

Singapore

	Close	Prev.
Cold Storage	2.50	2.42
DBS	4.84	4.72
Fraser Neave	6	5.90
How Par	1.86	1.80
Inchcape	1.44	1.45
Malayan Banking	4.28	4.26
OCBC	7.05	6.95
OUB	2.38	2.32
OUE	1.77	1.76
Shangri-la	N.Q.	—
Sime Darby	1.49	1.46
S'pore Land	2.17	2.05
S'pore Press	5.95	5.95
S Steamship	N.Q.	0.60½
St Trading	2.08	2.05
UOB	3.30	3.20
United Overseas	0.94	0.94

Straits Times Ind Index: 614.15
Previous: 607.32

Stockholm

	Close	Prev.
AGA	192	208
Alfa Laval	248	248
Asea	345	338
Astra	520	515
Atlas Copco	179	180
Boliden	185	185
Electrolux	208	210
Ericsson	222	227
Esselte	N.Q.	460
Handelsbanken	251	252
Pharmacia	170	167
Saab-Scania	558	555
Sandvik	735	750
Skanska	127	126
SKF	381	384
SwedishMatch	245	240
Volvo	309	308

Affaersvaerlden Index: 486.40
Previous: 491.60

Sydney

	Close	Prev.
ACI	3.16	3.20
ANZ	4.60	4.57
BHP	7.26	6.88
Boral	3.55	3.45
Bougainville	2.22	2.25
Coles	4.60	4.65
Comalco	1.98	2
CRA	5.66	5.70
CSR	3.62	3.70
Dunlop	2.80	2.70
Elders Ixl	3.32	3.27
ICI Australia	2.25	2.27
Magellan	2.15	2.15
MIM	2.95	3.03
Nat Aust Bank	4.85	4.80
News Corp	11.10	10.90
N Broken Hill	2.78	2.80
Poseidon	2.95	3.02
Qld Coal Trust	1.52	1.53
Santos	5.24	5.26
Thomas Nation	2.98	2.96
Western Mining	3.60	3.64
Westpac Banking	4.65	4.62
Woodside	1.13	1.12

All Ordinaries Index: 1072.80
Previous: 1075.50

Tokyo

	Close	Prev.
Akai	415	421
Asahi Chemical	900	775
Asahi Glass	900	896
Bank of Tokyo	690	695
Bridgestone	516	527
Canon	1100	1100
Casio	1780	1780
C.Itoh	428	432
Dai Nippon Print	1300	1280
Daiwa House	870	856
Daiwa Securities	795	767
Fanuc	7080	7010
Fuji Bank	1580	1510
Fuji Photo	1980	1970
Fujitsu	1080	1070
Hitachi	775	775
Hitachi Cable	728	730
Honda	1150	1150
Japan Air Lines	12200	13200
Kajima	499	485
Kansai Power	2050	1980
Kawasaki Steel	139	137
Kirin Brewery	781	780
Komatsu	487	484
Kubota	348	346
Kyocera	4710	4770
Matsu Elec Inds	1310	1330
Matsu Elec Works	871	858
Mitsubishi Bank	1460	1460
Mitsubishi Chem	510	518
Mitsubishi Elec	345	341
Mitsubishi Heavy	366	365
Mitsubishi Corp	602	595
Mitsui and Co	411	410
Mitsukoshi	598	595
Mitsumi	1030	1020
NEC	1290	1310
NGK Insulators	930	924
Nikko Sec	685	688
Nippon Kogaku	1060	1090
Nippon Oil	814	819
Nippon Steel	161	161
Nippon Yusen	297	297
Nissan	558	560
Nomura Sec	1110	1080
Olympus	1030	1090
Pioneer	1830	1830
Ricoh	1100	1110
Sharp	912	921
Shimazu	858	872
Shinetsu Chemical	1070	1000
Sony	3830	3930
Sumitomo Bank	1600	1590
Sumitomo Chem	236	238
Sumitomo Marine	647	628
Sumitomo Metal	140	139
Taisei Corp	328	326
Taisho Marine	530	505
Takeda Chem	998	991
TDK	4280	4340
Teijin	459	461
Tokio Marine	870	850
Tokyo Elec. Power	2900	2800
Toppan Printing	990	974
Toray Ind	500	503
Toshiba	369	370
Toyota	1230	1250
Yamaichi Sec	695	681

Nikkei 225: 13086.47
Previous: 12934.36
New Index: 1042.08
Previous: 1041.82

Zurich

	Close	Prev.
Adia	5000	4725
Alusuisse	705	693
Autophon	6400	6250
Bank Leu	4480	4325
Brown Boveri	1730	1700
Ciba Geigy	3750	3775
Credit Suisse	3600	3550
Electrowatt	3425	3450
Interdiscount	3590	3475
Jacob Suchard	7450	7260
Jelmoli	3325	3150
Landis Gyr	2225	2180
Moevenpick	5300	5300
Nestle	8900	8900
Oerlikon-B	1640	1625
Roche Baby	13200	13000
Sandoz	1720	1670
Schindler	4475	4300
Sulzer	470	460
Surveillance	6420	6450
Swissair	1980	1900
SBC	553	548
Swiss Reinsurance	2540	2490
Swiss Volksbank	2420	2390
Union Bank	4950	4850
Winterthur	5900	5750
Zurich Ins	2700	2650

SBC Index: 617.30
Previous: 606.60

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Toronto *Feb. 3*

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
11213	Abti Prce	$23	21⅛	23	+ 2
800	Acklands	$19¾	19¾	19¾	— ⅛
18500	Agnico E	$25⅝	24⅝	24⅝	—1⅛
500	Agra Ind A	$11	11	11	
26892	Alt Energy	$14⅝	14⅜	14⅝	+ ¼
4380	Alta Nat	$15¾	15	15⅝	
306	Algoma St	$20	20	20	
11457	A Barick o	$10¼	10	10	— ¼
109280	Alco I f	$11	10⅞	11	
5436	BP Canada	$30¾	30⅝	30¾	+ ¼
35234	Bank BC	$5½	5⅜	5⅜	— ⅛
261395	Bank N S	$13⅛	12⅝	13	
600	Baton	$22	22	22	+ ¼
17889	Bonanza R	350	340	340	
2710	Bralorne	280	270	280	
1700	Bramalea	$18	17½	17½	— ⅜
100	Brenda M	$8⅝	8⅝	8⅝	
6234	BCFP	$12⅝	12½	12½	
75335	BC Res	193	185	188	
11085	BC Phone	$26	25½	26	+ ½
1390	Brunswk	$13⅞	13⅜	13⅜	— ⅜
3365	Budd Can	$34	33¾	34	
34450	CAE	$17¾	17½	17⅝	+ ⅛
44408	CCL B f	$17¼	16⅞	17¼	+ ⅛
10560	Cad Frv	$14⅝	14⅜	14⅜	— ⅛
7550	Campeau f	$24¼	24	24¼	
575415	C Nor West	$19¾	18½	18½	—1¼
2400	C Packrs	$34⅝	34½	34⅝	+ ¼
2611	C Tung	$8¼	8	8¼	+ ¼
100	CGE	$80	80	80	
123340	CI Bk Com	$21½	21¼	21½	+ ⅛
82244	CTire A f	$13	12¾	12¾	
3208	C Util B	$18⅛	18⅛	18⅛	— ½
400	Cara	$19¾	19¾	19¾	+ ⅛
5651	Celanese	$12⅛	11⅞	11⅞	— ¼
4450	Centrl Tr	$13⅞	13	13½	— ⅜
18800	Cineplex	$13⅛	13	13	
4200	C Distb A	$6¼	6⅛	6⅛	— ⅛
40908	CDistb B f	$6¼	6⅛	6¼	+ ⅛
7400	CTL Bank	$9⅞	9¾	9¾	+ ⅛
35800	Coseka R	198	190	192	— 6
3800	Conron A	$18	17½	18	+ ½
4249	Crownx	$23⅞	23⅝	23⅝	+ ¼
8100	Czar Res	175	170	171	— 4
18050	Daon Dev	465	450	455	
200	Daon A	465	465	465	
6200	Denison A p	$12⅛	11⅝	11⅝	— ⅛
18350	Denison B f	$11½	11⅛	11½	
2500	Develcon	435	430	430	— 5
13550	Dickenson A f	$8⅞	8⅛	8¼	— ¼
300	Dickenson B	$8⅝	8⅛	8⅛	— ½
64100	Dofasco	$28⅝	28	28⅝	+ ½
800	Donohue	$22	21½	22	+ ½
1750	Du Pont A	$31⅛	31	31	— ⅛
18826	Dylex A	$16¼	15½	16¼	+ ¾
2425	Elcham X	$9⅝	9¼	9¼	— ½
3575	Emco	$23	22¼	23	+ ½
1700	Equity Svr	$7⅛	6¾	6¾	— ⅜
6900	FCA Intl	$26	25½	26	+ ¾
950	C Falcon C	$17¼	17	17	— ¼
188750	Ficnbridge	$23⅞	23½	23⅝	— ¼
96200	Fed Ind A	$14⅛	13⅝	13⅝	— ⅛
3400	F City Fin	$10⅝	10½	10⅝	+ ⅛
400	Gendis A	$34⅛	33⅞	33⅞	— ⅛
2969	Geac Comp	$7¼	7¼	7¼	
10200	Gibraltar	$9⅞	9⅝	9⅞	
10750	Goldcorp f	$7⅝	7⅜	7½	— ¼
100	Goodyear	$38½	38½	38½	
8100	GL Forest	$20¼	20	20	
3000	Grayhnd	$25	24⅝	24⅝	— ⅛
8962	Hawker	$22⅛	22⅛	22⅛	— ¼
21228	Hayes D	$12½	12⅛	12½	+ ¼
17150	Hees Intl	$25⅝	25	25⅝	+ ¾
662	Hollinger	$21	21	21	
9625	H Bay Co	$24½	24¼	24½	
24150	Imasco	$26⅞	26¼	26⅞	+ ¾
800	Indal	$19⅞	19⅝	19⅞	+ ¼
9400	Inland Gas	$10¼	10⅛	10⅛	
15825	Intl Thom	$8⅝	8½	8½	— ⅛
11914	Inter Pipe	$41	40⅛	40⅛	—1⅛
49800	Ipsco	$13	12¾	12¾	
4900	Ivaco B	$21½	21½	21½	— ¼
14541	Jannock	$23½	23	23⅛	— ½
300	Kelsey H	$18	18	18	— ¼
1215	Kerr Add	$18½	18	18½	+ ½
25981	Labatt	$32⅝	32⅛	32½	+ ⅞
3130	LOnt Cem	$21½	20⅞	21	+ ½
1500	Lacana	$10½	10½	10½	— ⅛
600	Loblaw Co	$23½	23½	23½	
57813	Lumonics	$17	16⅝	16⅝	— ⅜
1413	MDS H A	$15⅝	14¾	15½	+ ¾
200	MICC	400	400	400	—10
20260	Mclan H X	$15⅝	15¼	15½	+ ¼
2643	Maritime f	$14¼	14	14¼	[illegible]
15000	Merland E	287	281	281	[illegible]
23361	Molson A f	$20¾	20	20⅛	[illegible]
300	Molson B	$21¼	21¼	21¼	
550	Murphy	$20	19¾	20	[illegible]
600	Nabisco L	$29¼	29	29¼	[illegible]
278305	Noranda	$16⅝	16⅛	16½	[illegible]
9485	Norcen	$15½	14⅝	14⅝	[illegible]
75099	Nva AltA f	$6⅝	6½	6½	[illegible]
4700	Nowsco W	$15¼	15	15	[illegible]
11511	NuWst sp A	39	37½	39	[illegible]
2583	Oakwood	$7⅝	7	7⅝	[illegible]
2400	Omnibus o	285	280	285	[illegible]
12831	Oshawa A f	$33½	33¼	33¼	[illegible]
18520	Pac W Airln	$13⅛	12¾	13	[illegible]
12850	Pamour	$9⅞	9⅝	9⅝	[illegible]
18200	PanCan P	$28	27⅞	28	[illegible]
600	Pembina	$16½	16⅜	16⅜	[illegible]
2160	Pine Point	$16⅝	16⅜	16⅝	[illegible]
33682	Placer	$25¼	24⅝	25	[illegible]
4000	Que Sturg o	465	415	415	[illegible]
5100	Rayrock f	$7⅞	7½	7⅞	[illegible]
61850	Redpath	$18¼	17⅞	18¼	[illegible]
90271	ReedSt f Sp	$51	49½	50½	[illegible]
3834	Rogers A	$14	13¾	14	[illegible]
4200	Roman	$13½	13½	13½	[illegible]
500	Rothman	$34¼	34	34	[illegible]
2500	Sceptre	375	365	365	[illegible]
13520	Scotts f	$28⅝	28⅜	28⅝	[illegible]
10884	Sears Can	$12½	12⅛	12⅛	[illegible]
18561	Shell Can	$21½	21⅛	21⅛	[illegible]
4634	Sherritt	$8⅛	8	8⅛	[illegible]
2365	Slater B f	$13¾	12⅞	13⅛	[illegible]
14800	Southam	$17	16⅝	17	[illegible]
14093	Spar Aero f	$24⅝	24	24⅝	[illegible]
41499	Stelco A	$25⅝	25⅜	25⅝	[illegible]
3455	Sulpetro	111	105	106	[illegible]
1400	Steep R	283	281	281	[illegible]
7880	Tara	$18⅝	18½	18½	[illegible]
3350	Teck Cor A	$19	18⅝	18⅝	[illegible]
51048	Teck B f	$20	19⅝	19⅝	[illegible]
25738	Tex Can	$26⅛	25⅞	26	[illegible]
66880	Thom N A	$24⅝	24¼	24⅝	[illegible]
109122	Tor Dm Bk	$24⅝	23⅞	24⅝	[illegible]
9207	Torstar B f	$35½	35	35	[illegible]
26	Traders A f	$29⅝	29⅜	29⅜	[illegible]
1800	Trns Mt	$12	11¾	12	[illegible]
3500	Trinity Res	210	195	195	[illegible]
40156	TrnAlta UA	$26⅞	26⅝	26⅞	[illegible]
46369	TrCan PL	$19⅝	19⅜	19⅝	[illegible]
15916	Trimac	300	290	295	[illegible]
84992	Trilon A	$23¼	23	23¼	[illegible]
2160	Trizec A f	$29	28⅝	29	[illegible]
27540	Turbo	45	43	43	[illegible]
1200	Unicorp A f	$7½	7⅛	7⅛	[illegible]
518	Un Carbid	$14⅝	14⅜	[illegible]	[illegible]
44486	U Entprise	$12⅝	12⅜	[illegible]	[illegible]
3000	U Keno	$9⅝	9⅝	[illegible]	[illegible]
11000	Versti A f	445	435	445	[illegible]
700	Vestgron	340	340	340	[illegible]
6450	Wardair	$19	17¾	18⅝	[illegible]
1131	Weldwod	$22⅞	22¼	22⅞	[illegible]
3870	Westmin	$11¼	11	11⅛	[illegible]
970	Weston	$114	110	114	[illegible]
25000	Woodwd A	$8¼	8	8	[illegible]

Total sales 18,515,047 shares

	Close	Previous
TSE 300 Index:	2,843.90	[illegible]

Montreal *Feb. 3*

Sales	Stock	High	Low	Close	Chg.
71988	Bank Mont	$32½	32⅛	32⅛	[illegible]
500	BombrdrA	$16¼	16	16	[illegible]
7682	BombrdrB	$16⅜	16	16⅛	[illegible]
1370	CB Pak	$23⅝	23⅜	23⅝	[illegible]
47675	Cascades	$15¾	15⅛	15⅛	[illegible]
16987	ConBath	$22⅝	22¼	22⅝	[illegible]
24652	DomTxtA	$16⅜	16	16	[illegible]
17745	Gaz Metro	$10⅝	10⅜	10⅝	[illegible]
800	MntTrst	$15½	15⅜	15½	[illegible]
52043	NatBk Cda	$24¼	23⅞	23⅞	[illegible]
133010	Power Corp	$24⅝	23⅞	24⅝	[illegible]
14925	Provigo	$17⅝	16⅞	17	[illegible]
800	RollandA	$19½	19¼	19½	[illegible]
400	RollandB	$20⅛	20½	20½	[illegible]
28593	Royal Bank	$31	30⅝	30⅝	[illegible]
2204	RoyTrstco	$24¼	24	24¼	[illegible]
6920	SteinbrgA	$38⅝	37½	38	[illegible]

Total Sales 4,466,913 shares.

	Close	Previous
Industrials Index:	136.40	[illegible]

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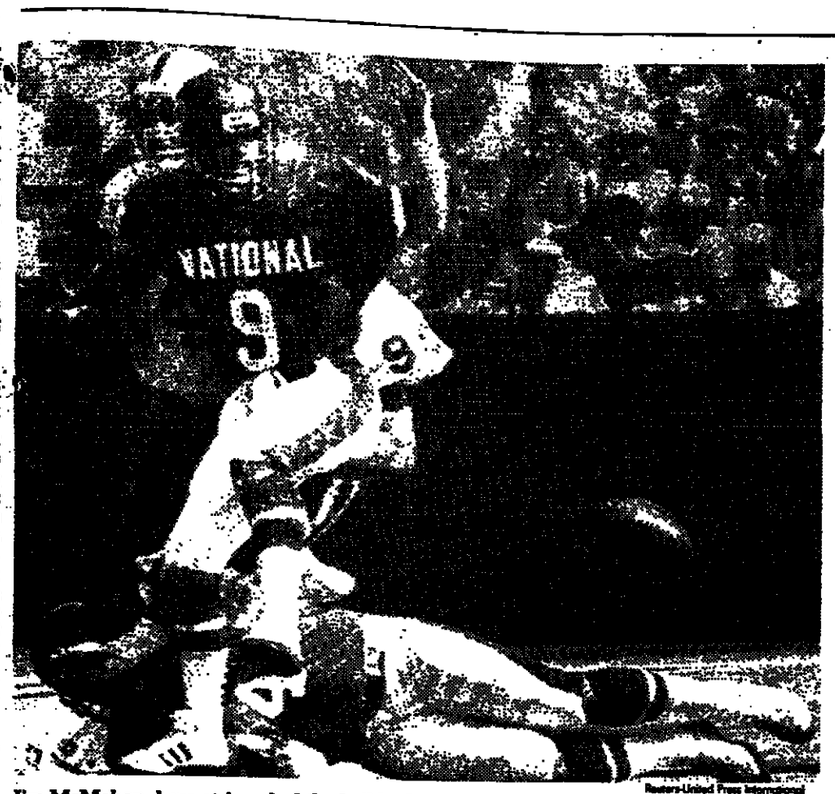
SPORTS



Jim McMahon, here stripped of the ball by Mark Gastineau (99), had a rough first half in the Pro Bowl Sunday, but Phil Simms came on to quarterback the NFC to a 28-24 triumph.

Simms's 3 Touchdown Passes Rally NFC to Pro Bowl Victory

Compiled by Our Staff From Dispatches

HONOLULU — New York Giant quarterback Phil Simms, pressed into extensive duty because Jim McMahon was hobbled by a bruised knee, sparked a second-half comeback Sunday that rallied the National Football Conference to a 28-24 Pro Bowl victory over the American Conference.

Simms, making his first appearance in the National Football League's all-star game, threw three second-half touchdown passes, the last a 15-yarder to Jimmie Giles of Tampa Bay with 2:47 remaining, to bring the NFC back from a 24-7 halftime deficit.

McMahon, the brash star of the Chicago Bears' 46-10 rout of New England in the Super Bowl a week earlier, was victimized for two turnovers that set up 10 AFC points during his brief stint in the second quarter. He didn't play thereafter, having aggravated a knee injury he suffered in the Super Bowl.

"When I found out at halftime that McMahon wasn't going to play any more, I felt I didn't have to rush," said Simms, who was named the game's most valuable player. "I knew I was going to play the rest of the game".

Added Simms, who completed 15 of 27 passes for 212 yards and was not intercepted: "This is a real nice way to end my season. After our [21-0] divisional loss to the Bears in Chicago last month, I was down." McMahon threw only six times and completed one, for seven yards.

Simms passed 15 yards to Washington's Art Monk for a TD in the third period and early in the fourth quarter narrowed the deficit to 24-21 on a two-yarder to Dallas tight end Doug Cosbie before connecting with Giles on the game-winner.

The AFC had taken advantage of a McMahon fumble and an interception to pull away in the second quarter. The Los Angeles Raiders' Marcus Allen, the league's most valuable player, provided the AFC's first two touchdowns, running two yards for one and throwing a 51-yard scoring pass to San Diego's Wes Chandler for the other.

Cornerback LeRoy Irvin of the Rams was a standout for the NFC defense, with two interceptions off quarterback Dan Fouts of San Diego. Irwin preserved the victory with his second interception, picking off Fouts's pass in the NFC end zone with 90 seconds remaining and the AFC at the National Conference 34-yard line.

The winners' other score came in the second quarter on a 48-yard interception return by Minnesota's Joey Browner, with Fouts again the victim.

A 34-yard AFC field goal by Gary Anderson of Pittsburgh followed an interception of a McMahon pass, and an 11-yard TD pass from the New York Jets' Ken O'Brien to Louis Lipps of the Steelers came after the recovery of McMahon's fumble.

Fouts completed 16 of 27 passes for 173 yards. O'Brien was eight of 15 for 87 yards and one TD, and threw one critical interception — the Bears' Mike Singletary intercepting in the end zone with 7:57 left. On the ensuing 80-yard drive, Simms converted on two third-and-long situations and completed passes 19 yards to James Lofton of Green Bay and 17 yards to Monk.

Both Chandler and AFC teammate Steve Largent of Seattle set Pro Bowl records. Chandler had a record 114 yards on four catches and Largent had a record eight receptions for 82 yards.

Allen, who set an NFL rushing-receiving yardage record in 1985, gained 58 yards on 16 carries for the losers. The Giants' Joe Morris was the NFC's leading rusher, with 34 yards on eight carries.

The victory gives the NFC a 10-6 edge since the current format was adopted. *(AP, UPI)*

With 1st Victory of Season, Müller Takes Cup Lead

Compiled by Our Staff From Dispatches

CRANS-MONTANA, Switzerland — Veteran Peter Müller scored his first World Cup skiing victory of the season here Monday, in the season's first super-giant

WORLD CUP SKIING

men's slalom, and took over the lead in the overall cup standings.

"This was a real super-G, not a halfhearted giant slalom," said the smiling 28-year-old after he picked up the 14th victory of his career.

Monday's race was coupled with a December downhill in Val d'Isere, France; Müller's fourth place there earned him enough combined points to overtake defending overall champion Marc Girardelli of Luxembourg in the standings, 149 points to 142. Without a victory so far this season, Girardelli was 20th on Monday.

On a 2,227-meter (7,306-foot) piste with a vertical drop of 602 meters, Müller clocked 1 minute, 39.32 seconds. Known as a downhill specialist, Müller laid down a tight, aggressive run; his average speed was 80.72 kilometers an hour (50.15 miles per hour).

Starting 21st, he dislodged Swiss teammate Pirmin Zurbriggen from first place by 0.40 seconds. Markus Wasmeier, the West German world giant slalom champion, took third in 1:39.95, preventing a Swiss clean sweep, as Franz Heinzer and Karl Alpiger finished fourth and fifth.

"I knew that a win was just a matter of time," Müller said. "This is how a super-G course should be —jumps, sharp and gradual bends, some flat segments and some steep segments.

"I knew I could get a good run with good weather and a good course. Also, I was lucky with my late starting number. I could watch the others go down first, and the course was certainly getting faster with time."

West Germans Michael Eder and Hans Stuffer (finishing seventh and tied for ninth, respectively) were disqualified after their coaches had given them reversed starting numbers. *(UPI, AP, AFP)*

Peter Müller, racing to triumph in Crans-Montana, Switzerland on Monday: "This is how a super-G course should be."

Up by 4, Whalers Blow Lead, Game

Compiled by Our Staff From Dispatches

HARTFORD, Connecticut — The Hartford Whalers have entered the National Hockey League's all-star break wondering what hit them. When their heads clear, maybe they'll have learned that playing safe can be dangerous.

NHL FOCUS

With a 4-0 lead entering the third period Sunday night, Hartford turned cautious and wound up losing, 5-4, to the Washington Capitals. The Whalers had been 19-0 in games which they've led entering the final period.

"We just got more aggressive in the third period," said Washington's coach, Bryan Murray. "We knew they would try to protect their lead."

"I am devastated that we play two periods like that and blow a 4-0 lead," said Jack Evans, the losing coach. "It's unbelievable. I don't know what happened. I want to go on the record that I did not tell them to lay back. We shouldn't lose games like this."

"We gave up too many chances and we stopped skating," said center Ray Ferraro. "We did not play like NHL hockey players in the third period."

Larry Murphy capped the surge with the tie-breaking goal at the 18:45 mark, handing Hartford its fourth straight loss.

"When we were down 4-3, we knew we were going to win," said Murray. He was right.

Craig Laughlin had started the rally with a power-play goal 1:34 into the period. Bobby Carpenter scored from the slot at 4:57 and Bengt Gustafsson beat goalie Mike Liut from close range 53 seconds later to bring the Capitals within 4-3. Carpenter tied the game on a low backhander at 8:41.

Murphy decided matters when he gathered in a pass by Laughlin from the right corner and let go a 15-foot backhander that beat goalie Mike Liut between the pads.

"We've been struggling a bit, so this is a great moral victory," said Carpenter. "We worked hard and started to concentrate better in the third period."

Hartford, which is tied with Buffalo for fourth place in the tight Adams Division, got goals from Sylvain Turgeon, Stewart Gavin, Torrie Robertson and Wayne Babych before folding up.

The current Whaler slide follows a five-game victory streak. Said Evans: "We really needed a win." Especially with the NHL's elite coming to town for Tuesday's all-star game. *(AP, UPI)*

Celtics Wake Up, Stretch Undefeated Streak to 11

The Associated Press

BOSTON — The alarm clock went off but didn't register. The Boston Celtics still were napping, almost sleepwalking.

As usual, though, Boston awakened in time Sunday, rallying from a 21-point deficit for a 114-101 National Basketball Association victory over the Seattle SuperSonics.

NBA FOCUS

The players used words such as "sloppy" and "flat" to describe their play before they settled down for their NBA season-high 11th consecutive victory.

"We really weren't ready to play," said Coach K.C. Jones. "We were completely outhustled at the start. We weren't bad — we were totally ugly. Imagine us falling behind by 21 points after 13 minutes of play."

On the line was the Celtics' 20-1 home record and their longest winning streak since a string of 13 in January, 1981.

Jones and his staff also had to be thinking about this June's draft as former Celtic Gerald Henderson scored 10 first-period points, helping the Sonics build a 37-20 lead they quickly widened to 47-26. The Celtics signed Henderson to a new contract shortly before the start of the 1984-85 season and then traded him for Seattle's No. 1 draft pick this year.

"I had it going good and I could see K.C. getting hot on the bench when we had the big lead," Henderson said. "He got the guys fired up to put the pressure on us. I was just hoping when we got the big lead we could sustain it.

"But you can't keep Larry [Bird] out of the game."

After a brief rest, Bird returned in the second quarter and scored 10 points, helping cut the deficit to 63-51; the Celtics no longer were flat.

Scott Wedman returned from repairs for a cut lip to score 11 third-period points and Dennis Johnson added eight. Those two led a 31-14 charge that lifted Boston to an 82-77 advantage, and when the Celtics went on a 10-2 run at the outset of the final quarter, it was all over.

Seattle took its ninth loss in 11 games and dropped to 17-31 overall with a 4-22 road record.

Johnson topped all scorers with 24 points. Bird had 22 (on just 4-of-17 shooting from the floor), pulled down 11 rebounds, and had 5 assists and 5 steals.

"A 20-point lead doesn't mean much in this league with the three-point shot — an especially against the Celtics," said Coach Bernie Bickerstaff. "They just upped the tempo on us."

Boston's Bill Walton, rejecting a lay-up bid by Jack Sikma.

SPORTS BRIEFS

American's 1:00.85 Sets Mark for 500

GAINESVILLE, Florida (AP) — Clarence Daniel, an assistant track coach at the University of Florida, set a world best of 1 minute, 85-hundredths of a second in the 500-meter run at a collegiate indoor meet here Sunday.

Competing unattached, Daniel bettered the 1:01.24 set last year by Willie Caldwell of Baylor University. Thomas Johnson of Florida State beat Caldwell's time in a preliminary heat when he ran a 1:01.10; Daniel lowered the mark further in the second heat.

Lendl Takes Title as Mayotte Defaults

PHILADELPHIA (AP) — Ivan Lendl won the U.S. Pro Indoor tennis tournament here Sunday when his final-round opponent, Tim Mayotte, defaulted because of a pulled stomach muscle sustained during his semifinal victory over Yannick Noah of France Saturday night.

"There is no chance I could be competitive," Mayotte said about 10 minutes after the match was to have started. "I can serve at about 60 percent. There's no sense walking on the court. I'm extremely disappointed. I apologize to everybody." The world's 12th ranked player said his doctor had told him "it could become a chronic condition and that I needed 7 to 10 days rest with no hitting."

Lendl was declared the tournament champion; the tournament directors presented an exhibition match between him and Tomas Smid, and extended the championship doubles to a best-of-five-set match, won by Americans Scott Davis and David Tate, 7-6 (7-3), 3-6, 6-3, 7-5, over Stefan Edberg and Anders Jarryd of Sweden.

Holbert, Bell and Unser Win Daytona

DAYTONA BEACH, Florida (AP) — The Porsche 962 of Al Holbert, Englishman Derek Bell and Al Unser Jr. made up a six-lap deficit with less than two hours remaining and went on to victory Sunday in the attrition-filled Daytona 24-Hours sports car endurance race. Only 17 of 65 starters were running at the end.

Because of broken throttle linkage and suspension problems, the Holbert entry fell behind two other Porsches by as many as 35 laps in Sunday's early hours. But the eventual winners cut steadily into the lead as the 962s co-driven by A.J. Foyt, Danny Sullivan and Arie Luyendyk of the Netherlands, and by Englishman Derek Warwick, Jochen Mass of West Germany, Darrin Brassfield and Jim Busby each made several extended pit stops to treat various mechanical difficulties.

Finally getting past Foyt with 85 minutes to go, on the first turn of the 662d lap, the Holbert entry took the lead for the first time since the 214th lap.

Porsches or racers powered by Porsche engines have won the race 10 straight times and 12 of the last 13.

Zoeller Widens Lead to 5 in U.S. Golf

PEBBLE BEACH, California (UPI) — Fuzzy Zoeller shot a 2-under-par 70 at Cypress Point on Sunday to take a five-stroke lead into Monday's final round of the rain-delayed Pebble Beach National Pro-Am golf tournament.

Zoeller canned a 20-foot chip shot for a birdie on his final hole to finish at 11-under 205. Payne Stewart was alone in second, at 210, after a 70 at Spyglass Hill. Tom Watson, three strokes back of Zoeller when the day began, shot an erratic 73 at Pebble Beach to fall six off the pace at 211, tying him with Tony Sills (a 71 at Pebble Beach) and Mark Wiebe (a 72 at Cypress Point).

Monday's final was to be played at Pebble Beach.

Quotable

● Iowa basketball Coach George Raveling, who formerly coached at Washington State, on the remoteness of Pullman, Washington: "My last speech there was reviewed in Field & Stream." *(LAT)*

● Jack Hartman, Kansas State's basketball coach, looking back on his career after announcing his retirement: "Coaching is all I've ever done. I've never had a real job." *(LAT)*

SCOREBOARD

Basketball

Selected U.S. College Conference Standings

ATLANTIC COAST	Conference W	L	Pct.	All Games W	L	Pct.
N. Carolina	6	1	.857	22	1	.957
Georgia Tech	6	1	.857	17	2	.895
Duke	7	2	.778	20	2	.909
N. Carolina St.	5	3	.625	14	6	.700
Virginia	4	3	.571	14	5	.737
Clemson	2	5	.286	14	7	.667
Maryland	1	6	.143	11	9	.550
Wake Forest	0	10	.000	6	15	.286

BIG EAST	Conference W	L	Pct.	All Games W	L	Pct.
Syracuse	8	1	.889	17	2	.895
St. John's	7	2	.778	20	3	.870
Georgetown	7	2	.778	17	3	.850
Villanova	5	3	.625	15	9	.625
Pittsburgh	4	5	.444	13	7	.650
Boston College	3	7	.300	12	9	.571
Connecticut	2	5	.286	10	6	.625
Providence	2	7	.222	10	10	.500
Seton Hall	1	7	.125	11	11	.500

BIG TEN	Conference W	L	Pct.	All Games W	L	Pct.
Michigan	7	2	.778	19	2	.905
Indiana	6	3	.667	14	5	.737
Iowa	6	3	.667	16	6	.727
Michigan St.	5	4	.556	14	5	.737
Purdue	5	4	.556	16	6	.727
Illinois	5	4	.556	14	6	.700
Minnesota	4	5	.444	14	8	.636
Ohio St.	4	5	.444	10	9	.526
Wisconsin	2	7	.222	10	9	.526
Northwestern	1	8	.111	7	12	.368

PACIFIC-10	Conference W	L	Pct.	All Games W	L	Pct.
Washington	7	2	.778	13	8	.619
Arizona	6	2	.750	15	6	.714
California	5	4	.555	13	6	.684
Oregon St.	5	4	.555	9	8	.529
Stanford	5	4	.555	11	10	.522
UCLA	4	4	.500	9	8	.529
Washington St.	4	5	.444	11	11	.500
Southern Cal	3	5	.375	9	9	.500
Arizona St.	3	6	.333	9	10	.474
Oregon	2	8	.200	7	13	.350

SOUTHEASTERN	Conference W	L	Pct.	All Games W	L	Pct.
Kentucky	9	1	.900	18	3	.857
Alabama	8	2	.800	15	4	.789
Auburn	6	3	.667	12	7	.632
Florida	6	4	.600	12	7	.632
Georgia	5	5	.500	12	7	.632
Louisiana St.	4	5	.444	16	6	.727
Tennessee	4	6	.400	11	8	.579
Vanderbilt	4	6	.400	10	9	.526
Mississippi	2	8	.200	10	9	.526
Mississippi St.	1	9	.100	4	15	.211

METRO COLLEGE ATHLETIC	Conference W	L	Pct.	All Games W	L	Pct.
Memphis State	5	1	.833	20	1	.952
Virginia Tech	4	2	.667	18	4	.818
Cincinnati	3	3	.500	9	10	.474
Louisville	2	2	.500	13	6	.684
South Carolina	2	3	.400	10	8	.556
Southern Miss	2	4	.333	11	8	.579
Florida State	1	4	.200	7	11	.389

SOUTHWEST	Conference W	L	Pct.	All Games W	L	Pct.
Texas A&M	8	1	.889	14	7	.667
Texas Christn	7	2	.778	15	5	.750
Texas	7	2	.778	12	8	.600
So. Methodist	6	3	.667	14	6	.700
Texas Tech	4	4	.500	9	10	.474
Houston	4	5	.444	10	9	.526
Arkansas	2	8	.200	10	10	.500
Baylor	1	8	.111	9	11	.450
Rice	1	8	.111	8	12	.400

MISSOURI VALLEY	Conference W	L	Pct.	All Games W	L	Pct.
Bradley	9	0	1.000	22	1	.957
Drake	6	2	.750	14	5	.737
Tulsa	6	3	.667	16	5	.762
Illinois St.	5	4	.556	10	10	.500
Indiana St.	3	5	.375	9	9	.500
Creighton	3	5	.375	7	11	.389
West Texas St.	3	6	.333	9	10	.474
So. Illinois	2	6	.250	6	14	.300
Wichita St.	1	7	.125	8	11	.421

BIG EIGHT	Conference W	L	Pct.	All Games W	L	Pct.
Oklahoma	5	1	.833	20	1	.952
Kansas	5	1	.833	20	3	.870
Missouri	4	3	.571	18	7	.720
Iowa St.	4	3	.571	13	7	.650
Nebraska	3	3	.500	13	6	.684
Oklahoma St.	3	3	.500	12	7	.632
Kansas St.	3	3	.500	12	7	.632
Colorado	0	6	.000	8	11	.421

WESTERN ATHLETIC	Conference W	L	Pct.	All Games W	L	Pct.
Texas-El Paso	7	2	.778	18	3	.857
Wyoming	6	2	.750	12	8	.600
Brigham Yong	6	2	.750	11	9	.550
San Diego St.	6	4	.600	7	13	.350
New Mexico	5	4	.556	12	8	.619
Utah	4	4	.500	11	9	.550
Colorado St.	4	6	.400	8	13	.381
Air Force	2	8	.200	8	13	.381
Hawaii	1	9	.100	4	17	.190

MID-AMERICAN	Conference W	L	Pct.	All Games W	L	Pct.
Miami, Ohio	9	1	.900	16	4	.800
Ball St.	7	3	.700	14	5	.737
Ohio U.	6	4	.600	13	6	.684
W. Michigan	5	5	.500	10	9	.526
Toledo	5	5	.500	8	11	.421
Bowling Green	5	5	.500	6	12	.333
No. Illinois	4	6	.400	9	9	.500
Kent St.	4	6	.400	8	10	.444
E. Michigan	3	7	.300	6	12	.333
Cent. Michigan	2	8	.200	6	13	.316

IVY LEAGUE	Conference W	L	Pct.	All Games W	L	Pct.
Brown	5	1	.833	11	7	.611
Cornell	4	2	.667	9	9	.500
Columbia	3	3	.500	9	9	.500
Yale	3	3	.500	9	9	.500
Pennsylvania	2	2	.500	8	8	.500
Princeton	2	2	.500	8	8	.500
Dartmouth	2	3	.400	5	10	.333
Harvard	0	5	.000	4	13	.235

INDEPENDENTS	W	L	Pct.
Notre Dame	14	3	.824
Chicago St.	16	6	.727
E. Washington	15	7	.682
DePaul	12	6	.667
Marquette	12	7	.632
Miami, Fla.	12	7	.632
New Orleans	12	7	.632
Pan American	11	7	.611
Dayton	12	8	.600
SW Louisiana	12	8	.600
Florida A&M	11	8	.579
Tennessee St.	8	11	.421
Utica	8	12	.400

NBA Standings

EASTERN CONFERENCE — Atlantic Division	W	L	Pct.	GB
Boston	36	8	.818	—
Philadelphia	30	18	.625	8
New Jersey	28	21	.571	10½
Washington	23	24	.489	14½
New York	18	30	.375	20
Central Division				
Milwaukee	22	17	.653	—
Atlanta	26	20	.565	4½
Detroit	24	24	.500	7½
Cleveland	18	29	.383	13
Chicago	17	32	.347	15
Indiana	15	32	.319	16
WESTERN CONFERENCE — Midwest Division				
Houston	32	15	.681	—
Denver	28	20	.583	4½
Dallas	24	21	.533	7
San Antonio	25	24	.510	8
Utah	24	26	.480	9½
Sacramento	18	30	.375	14½
Pacific Division				
L.A. Lakers	35	11	.761	—
Portland	29	22	.569	8½
Phoenix	18	28	.391	17
L.A. Clippers	16	31	.367	19½
Seattle	17	31	.354	19
Golden State	15	34	.294	22½

SUNDAY'S RESULTS

Seattle 37 26 14 24—101
Boston 28 31 31 22—114

Johnson 10-19 4-4 24, Bird 6-17 14-16 22; McDaniel 8-16 5-8 21, Sikma 7-16 6-6 20, Henderson 10-20 0-0 20. Rebounds: Seattle 47 (McDonald 9); Boston 46 (Bird 11). Assists: Seattle 24 (Henderson 7); Boston 28 (Johnson 7).

Utah 21 32 24 20— 97
Dallas 30 21 20 23—106

Vincent 9-13 2-2 20, Aguirre 5-12 8-11 18, Blackman 6-15 2-2 18; Donlev 7-18 5-7 19, Mantoa 7-10 0-0 14. Rebounds: Utah 47 (Donlev 11); Dallas 52 (Perkins 14). Assists: Utah 27 (Stockton 7); Dallas 26 (Davis 10).

Chicago 24 19 25 38—106
Indiana 25 34 27 35—121

Fleming 10-13 7-8 27, Sitaropoulos 8-11 8-10 24; Dantley 9-16 6-9 22, Green 6-12 9-12 17. Rebounds: Chicago 51 (Green 14); Indiana 59 (Sitaropoulos 11). Assists: Chicago 13 (Banks 5); Indiana 36 (Stansbury, Fleming 11).

New York 31 19 31 23—103
L.A. Lakers 28 21 24 23— 96

Bunnings 8-14 3-5 18, Wilkins 8-18 0-1 16; Abdul-Jabbar 10-22 10-10 40, Worthy 6-14 7-9 19. Rebounds: New York 69 (Barkley 10); Los Angeles 48 (Rambis 10). Assists: New York 26 (Scurrow 11); Los Angeles 24 (Cooper 11).

Top-20 Results

How the top 20 teams in The Associated Press college basketball poll fared last week:

No. 1 North Carolina (22-1) lost to Virginia 86-73; def. Clemson 85-67.

No. 2 Memphis State (20-1) def. Virginia Tech 83-61; lost to Virginia Tech 76-72.

No. 3 Georgia Tech (17-2) def. North Carolina State 67-54.

No. 4 Kansas (20-3) lost to Iowa State 77-74; def. Kansas State 64-58.

No. 5 Duke (20-2) def. Harvard 89-52; def. Clemson 89-78; def. Wake Forest 69-58.

No. 6 Oklahoma (20-1) def. Nebraska 87-60; def. Missouri 88-84.

No. 7 St. John's (20-2) def. Villanova 81-61; lost to Syracuse 69-64.

No. 8 Kentucky (19-3) def. Louisiana State 54-52; def. Auburn 81-71; lost to North Carolina State 54-51.

No. 9 Michigan (19-2) def. Northwestern 82-45; def. Wisconsin 91-64.

No. 10 Nevada-Las Vegas (21-2) def. San Jose State 62-53; def. Utah State 87-79.

No. 11 Syracuse (17-2) def. Boston College 80-65; def. St. John's 68-64.

No. 12 Georgetown (17-3) def. Providence 69-54; def. Louisiana State 74-72.

No. 13 Bradley (22-1) def. West Texas State 63-54; def. Tulsa 54-51.

No. 14 Notre Dame (14-3) def. Utah 94-64; def. Marquette 72-70, OT.

No. 15 Indiana (14-5) lost to Iowa 79-69; def. Minnesota 63-54.

No. 16 Virginia Tech (18-4) lost to Memphis State 83-61; def. Richmond 71-67; def. Memphis State 76-72.

No. 17 Louisiana State (16-4) lost to Kentucky 54-52; lost to Georgia 92-76; lost to Georgetown 74-72.

No. 18 Louisville (13-6) def. La Salle 72-60; def. UCLA 91-72.

No. 19 Texas-El Paso (18-3) def. New Mexico 68-54.

No. 20 Richmond (17-3) lost to Old Dominion 62-57; lost to Virginia Tech 71-67; def. William & Mary 67-47.

Selected College Results

EAST
Georgetown 74, Louisiana St. 72

SOUTH
N. Carolina St. 54, Kentucky 51

MIDWEST
Illinois 80, Purdue 68

FAR WEST
Oregon 65, California 55
San Jose St. 71, Cal-Irvine 55
Stanford 56, Oregon St. 52

Hockey

NHL Standings

WALES CONFERENCE — Patrick Division	W	L	T	Pts	GF	GA
Philadelphia	35	15	2	72	223	159
Washington	31	16	4	66	205	179
NY Islanders	25	17	10	60	218	187
Pittsburgh	23	34	6	52	200	192
NY Rangers	23	25	4	50	181	181
New Jersey	15	34	2	32	187	244
Adams Division						
Montreal	30	17	5	65	238	175
Quebec	28	20	4	60	213	180
Boston	26	19	7	59	205	184
Hartford	26	24	1	53	211	193
Buffalo	24	23	5	53	195	184
CAMPBELL CONFERENCE — Norris Division						
Chicago	35	20	7	57	233	226
St. Louis	22	20	7	51	189	194
Minnesota	19	24	8	46	206	204
Toronto	14	32	5	33	195	251
Detroit	11	36	5	27	177	276
Smythe Division						
Edmonton	36	11	6	78	279	215
Calgary	23	22	6	52	218	203
Los Angeles	17	28	6	40	198	251
Vancouver	16	27	7	39	187	210
Winnipeg	17	32	5	39	198	252

SUNDAY'S RESULTS

Toronto	1	2	1—4
Chicago	3	1	1—5

Kotsopoulos (3), Clark (17), Valve (17), Thomas (17); Secord (28), Sutter (7), Olczyk (20). Shots on goal: Toronto (on Bannerman) 11-14-9—34; Chicago (on Edwards) 12-12-16—40.

N.Y. Islanders	0	1	1—3
New Jersey	1	1	0—2

Trottier (28), Bossy 2 (38); Bridgman (16), Goone (16). Shots on goal: New York (on Resch) 7-16-5-2—30; New Jersey (on Smith) 6-10-11-0—27.

Pittsburgh	2	0	0—3
Boston	2	0	1—3

Linseman (15), Berridge (13), Simmer (19); Frawley (5), Schmidt (10). Shots on goal: Pittsburgh (on Keans) 11-11-4—26; Boston (on Melanie) 15-11-8—34.

Quebec	1	1	1—3
Buffalo	2	2	0—5

Andrevchuk (19), Lever (7), Cyr (10), Follano2 (7); Malone (7), Hunter (17), Patement (7). Shots on goal: Quebec (on Barrasso) 13-6-11—30; Buffalo (on Malarchuk) 7-6-7—20.

Los Angeles	0	1	2—3
Winnipeg	2	1	0—4

Nill (3), Howerchuk (34), Small (10), McLean (18), Watters (6), Carlyle (9); Sykes 2 (13), Taylor (23). Shots on goal: Los Angeles (on Hayward) 11-18-16—45; Winnipeg (on Janecyk) 12-15-7—34.

Washington	0	0	5—5
Hartford	2	2	0—4

Loushlin (17), Carpenter 2 (17), Gustafsson (16), Murphy (13); Turgeon (30), Gavin (15), Robertson (9), W.Babych (9). Shots on goal: Washington (on Liut) 8-10-16—36; Hartford (on Jensen, Mason) 12-8-8—28.

World Cup Skiing

MEN'S SUPER-GIANT SLALOM
(At Crans-Montana, Switzerland)

1. Peter Müller, Switzerland, 1 minute 39.32 seconds
2. Pirmin Zurbriggen, Switzerland, 1:39.72
3. Markus Wasmeier, West Germany, 1:39.95
4. Franz Heinzer, Switzerland, 1:40.02
5. Karl Alpiger, Switzerland, 1:40.12
6. Michael Mair, Italy, 1:40.37
7. Leonhard Stock, Austria, 1:40.62
8. Josef Schick, West Germany, 1:40.64
9. Hubert Strolz, Austria, 1:40.74
10. Martin Hanzl, Switzerland, 1:40.89

(Starters: 114)

MEN'S OVERALL STANDINGS

1. Peter Müller, Switzerland 149 points
2. Marc Girardelli, Luxembourg 142
3. Peter Wirnsberger, Austria 137
4. Ingemar Stenmark, Sweden 127
5. Rok Petrovic, Yugoslavia 125
6. Pirmin Zurbriggen, Switzerland 110
7. Markus Wasmeier, West Germany 99
8. Michael Mair, Italy 94
9. Bojan Krizaj, Yugoslavia 90
10. Hubert Strolz, Austria, 88
11. Jonas Nilsson, Sweden, 83
12. Karl Alpiger, Switzerland, 81
13. Franz Heinzer, Switzerland, 77
14. Andreas Wenzel, Liechtenstein, 74
15. Paul Frommelt, Liechtenstein, 71

Tennis

U.S. PRO INDOOR TOURNAMENT
(At Philadelphia)

Singles Final

Ivan Lendl, Czechoslovakia, def. Tim Mayotte, U.S. (default).

Doubles Final

Scott Davis, U.S., and David Tate, U.S., def. Stefan Edberg, Sweden, and Anders Jarryd, Sweden, 7-6 (7-3), 3-6, 6-3, 7-5.

WOMEN'S TOURNAMENT
(At Key Biscayne, Florida)

Singles Final

Chris Evert Lloyd, U.S., def. Steffi Graf, West Germany, 6-3, 6-1.

Doubles Final

Kathy Jordan, U.S., and Elizabeth Smylie, Australia, def. Betsy Nagelsen, U.S., and Barbara Potter, U.S., 7-6 (7-5), 2-6, 6-2.

Transition

BASKETBALL
National Basketball Association

MILWAUKEE—Signed Earl Jones, forward-center, through the end of next season.

HOCKEY
National Hockey League

ST. LOUIS—Traded Joe Mullen, right wing, and Rik Wilson and Terry Johnson, defensemen, to Calgary for Ed Beers, left wing; Charlie Bourgeois, defenseman, and Gino Cavallini, left wing.

Soccer

INTERNATIONAL FRIENDLIES
(At Miami)

Uruguay 3, Canada 1
Colombia 6, Jamaica 2

The Associated Press

TOUGH SLEDDING — Two-man teams negotiated a bumpy course in Sunday's traditional "schnabler race" in the Bavarian town of Gaissach. The wooden sledges were fomerly used to carry firewood down from the mountains.

ART BUCHWALD

Glutting for Punishment

WASHINGTON — There are some people who are laughing because the oil barons now have to sell spare oil at $17 a barrel. I don't happen to be one of them.

It's true that OPEC had every intention of sticking it to the non-oil-producing countries, but that doesn't mean we should all be acting like Chicago Bear fans.

Buchwald

Many of the oil producers have been humbled by the glut.

Just the other day the oil prince, El Glamie, a polo-playing friend of mine, stopped me on 14th Street and asked me if I wanted to buy a "genuine" Rolex watch. When he recognized me he seemed embarrassed.

"Your Highness," I said, "what are you doing selling Rolex watches on 14th Street?"

"Where would you sell them if crude was dropping to $16 a barrel?"

"But surely you'll still make more money selling oil than watches?"

"I might, except everybody has a lien on my crude. I can't ship a barrel of it without some credit union seizing it in a foreign port. Fortunately they don't know about my watch business."

"Why watches?" I asked him.

"When oil was $36 a barrel I bought 10,000 watches to hand out as tips to the hotel help when I traveled abroad. Now it turns out the watches are worth more than my oil. Don't you need a timepiece that will tell the phase of the moon?"

□

I said, "I can't believe you're that broke. What about the military equipment you bought? That's got to be worth something."

"MasterCard took it all back when I missed two payments."

"I never thought I'd see a Middle East prince down on his luck."

"Neither did I." El Glamie said. "The last time I was in Washington I slept at the White House. Now I'm sleeping across the street."

"In a hotel?"

"No, in Lafayette Park. Do you know what is driving the price of a oil down? It's greed."

"I thought that's what drove the price of oil up. As I recall it was OPEC's greed that almost bankrupted the world."

"That wasn't greed. That was supply and demand. There wasn't enough oil to go around so we had to raise prices."

"But doesn't the reason they tumbled also have to do with supply and demand?"

"No, that was lust. Everybody who was pledged to drill so much crude cheated and caused a glut. Then because of the glut they had to produce more crude, which produced more glut, and then it was just glut, glut, glut."

□

I asked the prince, "How can you expect OPEC to honor their quotas when they are in hock up to their ears for so many of the good things in life? I would think you would keep drilling even if you got $5 a barrel."

"I would," the prince said, "only I don't own the oil. The insurance companies do."

"How come the insurance companies own your oil?"

"I borrowed $100 million to build a new airport and air-conditioned polo field."

"Why would you do that?"

"To attract tourists so my country no longer has to depend on oil."

China to Promote Sichuan Cuisine

Reuters

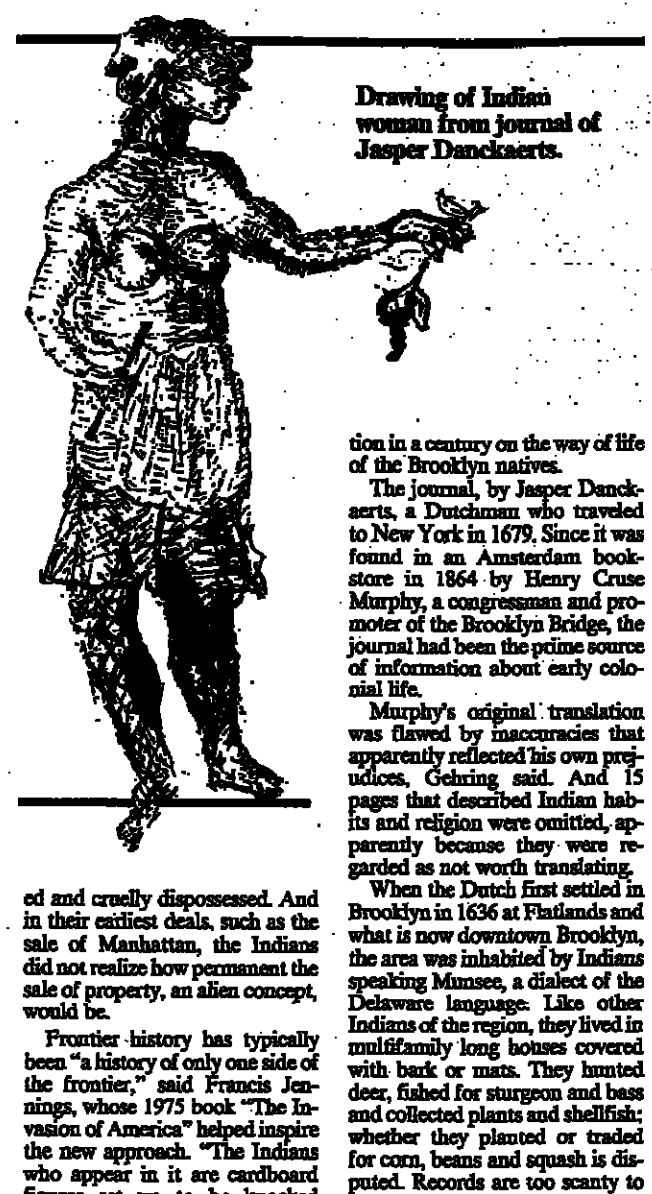
CHENGDU, China — China announced a new campaign on Monday to promote an unusual export commodity: spicy Sichuan cuisine.

The southwestern province's Corporation for International Techno-Economic Cooperation has already set up 13 restaurants in eight countries, and now plans others in Egypt, Mozambique, Spain, France, Fiji and Papua New Guinea.

Pu Mantang, the corporation's head, said: "Ours is one of the four great cuisines of China, along with Guangdong, Shanghai and Beijing. Our cooking can be compared with that of France — like opium, once tasted, it is irresistible."

American Indians: The $24 Misunderstanding

By Erik Eckholm
New York Times Service



Drawing of Indian woman from journal of Jasper Danckaerts.

NEW YORK — To buy Brooklyn from the Indians, the early Dutch settlers paid 200 times as much they did for Manhattan, a new analysis of 17th-century records shows.

In part, this was because the native residents had acquired more savvy about the value of land. But the pattern of land transfers in Brooklyn, which was sold bit by bit in 22 different deals, was also symptomatic of the growing canniness with which local Indians maneuvered to hold off their inevitable losses, according to scholars who are rewriting the history of Indians, and hence of whites, in the colonial era.

Recent studies of the early colonial period are demolishing the stereotype of naive natives who sold their birthright for a pile of trinkets, and suggest the skill with which native Americans, outmanned and outgunned, struggled to preserve their lands and dignity.

While Manhattan was transferred in its entirety for 60 guilders worth of trade goods in 1626, Brooklyn was sold piecemeal between 1636 and 1684 for an estimated total of 12,000 guilders worth of goods, and the sellers often retained rights to live or hunt on the ceded land, according to Dr. Robert S. Grumet, an anthropologist and curator of a new exhibit at the Brooklyn Historical Society that runs from Feb. 13 to May 31.

Although historians debate the value of the guilder at the time, even the items bartered for Manhattan were worth more to the Indians than is implied by the often-quoted $24, many scholars now assert. The goods would not have been mainly "valuable, high-tech items the Indians could not produce themselves," like metal kettles and axes and scissors, according to Dr. Charles T. Gehring of the New York State Library.

Moreover, Grumet added, "for the Indians, Manhattan was a less desirable piece of real estate than Brooklyn was." Its rocky soils made for poor farming, and downtown Manhattan was swampy and infested with insects.

None of this is to say that the region's Indians were not exploited and cruelly dispossessed. And in their earliest deals, such as the sale of Manhattan, the Indians did not realize how permanent the sale of property, an alien concept, would be.

Frontier history has typically been "a history of only one side of the frontier," said Francis Jennings, whose 1975 book "The Invasion of America" helped inspire the new approach. "The Indians who appear in it are cardboard figures set up to be knocked down."

Ethnohistorians are now using archaeological, anthropological and documentary evidence to reconstruct events, portraying Indian societies as complex cultures adapting to a radical challenge rather than as pristine, fragile societies that quickly toppled before white civilization.

For the exhibit, the society asked Gehring to retranslate a handwritten journal described as the first significant new information in a century on the way of life of the Brooklyn natives.

The journal, by Jasper Danckaerts, a Dutchman who traveled to New York in 1679. Since it was found in an Amsterdam bookstore in 1864 by Henry Cruse Murphy, a congressman and promoter of the Brooklyn Bridge, the journal had been the prime source of information about early colonial life.

Murphy's original translation was flawed by inaccuracies that apparently reflected his own prejudices, Gehring said. And 15 pages that described Indian habits and religion were omitted, apparently because they were regarded as not worth translating.

When the Dutch first settled in Brooklyn in 1636 at Flatlands and what is now downtown Brooklyn, the area was inhabited by Indians speaking Munsee, a dialect of the Delaware language. Like other Indians of the region, they lived in multifamily long houses covered with bark or mats. They hunted deer, fished for sturgeon and bass and collected plants and shellfish; whether they planted or traded for corn, beans and squash is disputed. Records are too scanty to estimate of how many Indians once lived in today's New York City.

The early New Yorkers were a social lot. "They loved to visit relatives and friends and to trade," Grumet said. "All around the area there was constant movement, a stream of travelers and traders walking on footpaths and paddling their dugout canoes." Sometimes, they raided the towns of enemies.

They spent most of their time out of doors, often bare-chested. In cold weather, the prime hunting season, large fur wraps provided a drafty sort of warmth. People rubbed their bodies with fish oil, bear grease or mud to ward off the chill of winter as well as the insects of summer.

Among the striking finds in the newly translated journal is the first account of how local Indians, without writing, passed the contents of treaties and contracts down through the generations. During negotiations, an Indian held a different shell in his hand as each article was discussed. When an agreement was concluded, the specific meaning of each marker was recounted.

"As they can neither read nor write, they are gifted with a powerful memory," Danckaerts said. "After the conclusion of the matter, all the children who have the ability to understand and remember it are called together, and then they are told by their fathers, sachems or chiefs how they entered into such a contract with these parties."

The children "are commanded to remember this treaty and to plant each article in particular to their memory," Danckaerts continued. The shells were bound together on a string, put in a bag and hung in the house of the chief.

The young were warned they must preserve this memory "faithfully so that they may not become treaty-breakers, which is an abomination" to the Indians, Danckaerts observed.

Describing the Indian personality, Danckaerts wrote: "They do everything intensely, penetrating matters thoroughly and speaking only when absolutely necessary."

In Europeans, he added: "The Indians hate the precipitancy of comprehension and judgment, the excited chattering, often without knowing what is being said, the haste and rashness to do something, whereby a mess is often made of one's good intentions."

But even as Danckaerts wrote, the region's Indians were "melting away rapidly," as he put it. The oldest New Netherlanders, he wrote, said that "There is now not one-tenth part of the Indians there once were, indeed, not one-twentieth or one-thirtieth; and now the Europeans are 20 to 30 times as many."

Many New York Indians were slaughtered by the Dutch or by an invading Mahican war party during the general war of 1640 to 1645. But repeated epidemics of smallpox, measles and other ailments to which they had no immunity cut their numbers more drastically.

The Indians did, through piecemeal sales and other holding actions, keep a foothold in their homeland for decades after the European invasion, the new research shows. "They were careful to maintain some rights to the land as long as they could," said Grumet. "And after that, they squatted there a good deal longer."

Recent research, Grumet said, indicates that the Indians saw the deeds not as simple sales, but rather as something like treaties that entailed mutual obligations on buyers and sellers. In many of the 22 deeds by which Brooklyn was purchased this was made explicit, with Indian rights to live or hunt on the transferred properties written into the contracts. In the years after a sale, Indians often demanded periodic gifts as a reaffirmation of the exchange.

Like the Europeans, Indians sometimes took advantage of ambiguities in contracts or confusion among the opposition. Thus, for example, different Indian groups were able to sell Staten Island three times in the same century, twice to the Dutch and once to the English, who took over Manhattan in 1664.

By the close of the 17th century, "only a few broken families" of Indians remained in Brooklyn, according to the Brooklyn Historical Society. They became nomads in their homeland, peddling or working as servants, living in back lots or swamps. Many moved away to mission settlements or Indian towns elsewhere in the Northeast.

Farms, factories and tenements began to cover former hunting grounds. By 1832, when Jim de Wilt (Dutch for "wild man"), reputed to be Brooklyn's last true native, died, the borough was a busy metropolis of 20,000 people.

PEOPLE

Critic Takes Potshot At Posh London 'Teas'

The food critic Egon Ronay, in "Just a Bite," a book published Monday, laments the fate of the British institution of afternoon tea, given "the arrival of absurd prices in some of the best London hotels." He said the raw material costs for tea, scones, sandwiches and one or two pastries was certainly below £1.20 (about $1.70), and in no way related to the £8 charged at the Ritz, £6.95 at Browns, £8 at the Dorchester and £7.50 at Grosvenor House. "These establishments might as well charge an entrance fee and have done with it," he said.

□

Diana Ross, 41, the singer, married the Norwegian shipping tycoon **Arne Naess**, 47, on Saturday in a ceremony in the Abbey of Romainmotier, Switzerland's oldest church. **Stevie Wonder**, the singer, and the actor **Gregory Peck** were among the 200 guests.

□

An American sampler embroidered by an unknown 9-year-old girl from Massachusetts around 1800 was sold at auction on Saturday for $101,750, a record for an American needlepoint, according to Sotheby's auction house in New York. The colorful sampler, of a white house with yellow roof on a pasture with grazing sheep, cows and horses and figures of strolling gentry, far surpassed its maximum presale estimate of $30,000, said **Mathew Weigman**, a spokesman for Sotheby's. The sampler was acquired by an unidentified American private collector.

□

The columnist **Art Buchwald** and the playwright **Sam Shepard** were among eight people elected to the 250-member American Academy and Institute of Arts and Letters, the organization announced Sunday. Buchwald, Shepard and the other new members — the composer **Morton Gould**, the painter **William Bailey**, the sculptor **Varujan Boghosian**, the sculptor **Mark Di Suvero**, the painter **Wayne Thiebaud** and the historian **Donald Keene** — will be inducted May 21.

□

Hildegarde, who sang and played piano wearing long white gloves in the heyday of New York's nightclubs, made her debut at Carnegie Hall with an expanded nightclub act on Saturday, her 80th birthday.

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